

Mind the Gap:
Corporate External Communication
in Swedish Food Retail

Claes Hedström

Examensarbete i Hållbar Utveckling 132

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Abstract: With the rise of Internet and a changing social environment corporations legitimacy has been questioned (see Palazzo and Scherer, 2006). Frauds and scandals, both financial and environmental has put pressure on corporations to communicate their business operations and increase transparency. Food retail in Sweden have had several crises, the most recent the so called horsemeat scandal. This study starts in a literature review and describes some theories in CSR and legitimacy. The aim of the study is to investigate how consistent corporate communication is in regard to legitimacy. A framework adapted from Castello and Lozano (2011) was used to perform a content analysis. CEO statements and sustainability policies has been studied from three Swedish food retailers, Axfood, Coop and ICA. The study argues that there is a high degree of inconsistency in corporate communication when these two documents are analysed. This might indicate that sustainable development has not entered the board rooms in effect. It also indicates that while CEO's are communicating pragmatic and institutional legitimacy, the sustainability policies are moving into moral legitimacy.

Keywords: Corporate Social Responsibility, Ethics, Legitimacy, Sustainable development

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Summary: Food is a basic everyday need, and a need that has both environmental and social impacts on a global scale. This involves such things as freshwater use, soil degradation and deforestation to mention a few environmental impacts. Social impacts are such as child labour, unsafe working conditions and below minimum wage payment. There have also been food scandals, like the horsemeat scandal in Europe in 2013. All these things taken together have made consumer less trusting towards food retail. To have consumer's trust, to be legitimate, is crucial to any company. Chief Executive Officers (CEO) play an important role in this, since they, through their statements, are influencing and to a high degree affecting corporate strategic decisions. In this study CEO annual statements were compared with sustainability policies for three food retail companies in Sweden.

The companies included in this study was Axfood, Coop and ICA, since they together hold 85% of the food retail market in Sweden and therefore have a huge impact on food retail and consumers. They are corporations that operates on a global market, trading with goods that are produced both near and far. This makes the supply chains long and complicated to control. A strong work in Corporate Social Responsibility (CSR) was therefore expected from these firms. This is a work that aims at decreasing negative effects of business operations and increasing the positive effects. CSR is also crucial to communicate in order to enhance consumers' trust.

What was found in this study was that corporate communication is inconsistent when the sustainability policy was compared to the CEO annual statement. There is a financial growth paradigm in the annual reports whereas the sustainability policy in general considers ethical implications of business. This might indicate that sustainable development is not at the heart of food retail business strategy.

Keywords: Corporate Social Responsibility, Ethics, Legitimacy, Sustainable development

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1 Introduction

This chapter explains the background for the research project. It also presents the aims and delimitations of the project along with a brief outline of the report.

1.1 Problem background

Sustainable development gains increased attention and place in the public dialogue. One of the major topics in this discussion is our use of natural resources. Several summits regarding sustainable development have been held around the world. One of the more recent, Rio+20, had as themes transition to green economy and eradication of poverty (UNCSD, 2011). Food production and food security is an issue in this context; both since we already have a starving population of around 900 million people in the world today (FAO, 2012) and also since the world population is anticipated to rise to around 9 billions by 2050, most of the growth taking place in developing countries (Block, 2013).

The food industry is a resource intensive industry. Food production uses annually 92% of all available fresh-water supply (Cernansky, 2012). Agricultural production uses only between 2-3% of total global energy production but 20% of global emissions of green house gases comes from this industry (Woods *et al.*, 2010, p. 2991). Even if food production requires lots of resources it is needed given its primary need for all humans. Discussions on how production, processing and marketing are done therefore become a political and ethical topic.

There has been a growing awareness among consumers that healthy and safe food is important. In a study by de Jonge *et al.* (2010) it was shown there had been a decline in consumers trust when it comes to e.g. processed food. In their study they also show that consumers that recollect incidents reported in media about food safety tend to have less trust in food safety. A recent example was the so-called “horse meat scandal” that was revealed in February 2013, a scandal that caused anger and political action in several European countries (Lagerwall, 2013).

The horsemeat scandal was brought to public attention during February 2013. It was first discovered in England and the first mention of this in Swedish printed media was 20:th of January in Expressen (Kvarnkullen, 2013). On the 4:th of February the Swedish food producer Findus suspected that their lasagne contained horsemeat and it was stopped from leaving the production plant. At the 8:th of February Findus test-samples had been analysed and positively confirmed that the lasagne contained up to 100% of horsemeat. The same day the three big food retailers withdrew lasagne coming from the same producer. It should be pointed out that for Findus and the Swedish food retailers’ production of lasagne was done in Luxembourg by a company called Comigel (Pehrson, 2013). Immediately there was a heated debate as to where responsibility for this wrongdoing should be placed. The incident almost at once became a political issue and statements were made from various political leaders around Europe to establish that legislation and control had to become more efficient. Processed food that had been wrongly labelled immediately was taken off the shelves in Swedish stores but the problem remained how to dispose of this food. It was not considered non-edible, but from both ethical and legislative reasons couldn’t be sold since it had an untruthful labelling. This then raises the problem of behaving in an ethical responsible way as a business and therefore have an obligation to consider and handle ethical demands that can be in opposition, in this case the responsible use of natural resources such as food and at the same time being ethical in not selling food that does not contain what is declared on the package. This puts pressure on companies and pressures them to find ways to handle issues like these.

The use of natural resources and consumer trust in food health plus other factors like labour rights has put pressure on corporations within the food industry to engage in Corporate Social Responsibility (CSR). CSR can be argued to be way of implementing, at a corporate level, standards for sustainable use of energy, chemicals, fertilizers, to minimize climate change and other issues relating to sustainable development but also safeguarding social rights like stopping child labour, improving local community and to some extent, charity. Scandals like the Nestlé scandal in the 1970’s convincing mothers in developing countries, especially South Africa, into bottle-feeding their babies instead of breast-feeding them put a lot of pressure on corporations to take steps toward a more socially responsible sales strategy (Muller, 2013).

There has been a strong development of CSR standards since the mid 1990’s (Schwartz, 2001). This can be interpreted as a recognition that engaging in CSR and following a code of conduct or an ethical code possibly could reduce risk for the corporation and even give it a competitive advantage (Searcy, 2011). Still there has been a number of scandals and they have struck against corporations that have an established code of conduct

like Enron that shortly before the economic fraud was revealed, received praise for its strong ethic- and CSR-work (Jutterström and Norberg, 2011). An event like this raises doubt from the consumer point if CSR is just rhetoric, a way of green-washing a company, which has been showed to be a concern (Erwin, 2010).

Scandals like the above mentioned threatens a corporation's legitimacy. If a corporation's legitimacy is questioned then its whole existence is threatened (Castelló and Lozano, 2011). Therefore the issue of legitimacy has become a major issue for corporations and especially for those operating on a global scale (Kostova and Zaheer, 1999). CSR has been seen as a vital tool by corporations in their attempts to redefine their role as a business in society (Deegan, 2002). In order for CSR to be this important tool, corporations might spend efforts communicating their CSR undertakings and their codes of conduct in order to strengthen their legitimacy in society.

Within the food sector it can be argued that all the big retailers operate on a global scale since the goods sold in food retail comes from a world market. This also applies to Swedish food retail. Goods in Swedish food retail come from a variety of sources; from Asia as well as from the local farmer. This of course raises the problem of implementing CSR through a supply chain that is long and complicated and in a corporate environment that is atomised in its structure (Hartmann, 2011).

1.2 Problem

Communication can be seen as a key factor when it comes to CSR effectiveness (Borglund *et al.*, 2012, p.256). If CSR activities or a code of conduct is communicated from the top it risks being ignored by employees (Stevens, 2009). But CSR and the communication of CSR activities are not only internally complex due to the above mentioned aspect but also since it can encompass a huge variety of activities, spanning from philanthropy to acting as a political voice (Castelló and Lozano, 2011). This also adds to the external complexity and bears on communication.

Communicating the standard for CSR internally is not enough for a firm. It must also engage in communicating to external stakeholders, such as consumers and presumptive consumers in order to maintain its legitimacy. This might have become even more important during the last decades considering the degree of public scrutiny of corporate behaviour (Basu and Palazzo, 2008). Also, different scandals and frauds, e.g. Enron, has made it even clearer that communicating and adhering to what is communicated becomes a critical issue in order to maintain legitimacy.

Scandals like the above mentioned horsemeat scandal affects consumers' trust in prefabricated food of the brands involved but it might also affect the trust in food retail corporations in general (de Jonge *et al.*, 2010). It might also question the legitimacy of food retail companies in the view of consumers. Therefore it is of utmost importance for the food retail industry to communicate what their principles are for handling a situation like the horsemeat scandal.

Castello and Lozano (2011) state that a company can claim pragmatic legitimacy from stakeholders as long as they perceive benefits from the company. This poses a special problem when it comes to food retail in Sweden that is dominated by a few big corporations; ICA, Coop and Axfood. These three companies held 85,8% of the market share in 2011 (Dagligvarukartan, 2012). It can be argued that food retail, being necessary for survival, automatically gains pragmatic legitimacy. An oligopoly like the Swedish situation might affect legitimacy since a domination of the market might reduce the drive from a corporate perspective to maintain and strengthen legitimacy. There is almost no other way for consumers to meet the daily need apart from shopping at one of the big three retailers. Incentives for communicating CSR might also differ because of both different ownership structures and also due to the oligopoly situation where communication might get less attention since this could be considered a cost that will have little impact on legitimacy. This will be further explored upon in this research project.

1.3 Aim and delimitations

The aim of this study is to examine and describe the content of CSR standards at the three largest food retailers in Sweden, ICA, Coop and Axfood. The objective is to develop an understanding of the rhetoric in their respective codes. Furthermore the objective is to investigate what views of reality and ethics that governs their respective codes and CSR. The findings from this examination has been set into relation to a specific case, namely the "horsemeat scandal" as a current illustration of the enactment of a code of conduct.

Research questions of particular interest is:

- Is communication of legitimacy consistent within corporations?
- What kind of legitimacy is presented in communication?
- Was United Nations Global Compact used to promote legitimacy?
- How was the horsemeat scandal handled in terms of legitimacy?

The study is focused on Swedish experience and Swedish food retail. It focuses on external communication from the companies and leaves aside the internal communication. This was chosen since it was not possible to get access to internal communications from all of the corporations. Also, as shown by de Jonge *et al.* (2010) external communications and media reporting is decisive in order for a consumers to have trust in a food retailer. This trust then provides the basis for the corporate legitimacy.

The study focuses on the three largest food retailers in Sweden, ICA, Coop and Axfood. These three companies were of special interest not only since they are the three biggest food retailers but also since they have different ownership structure. ICA can be described both as a franchise and as a corporation where storeowners own shares in ICA. In this study ICA will be treated as a franchise. Coop is a cooperative owned by its members. Axfood is a privately owned company. This might have an impact on how and what they communicate to consumers. The smaller companies that hold the remaining 14,2% of the market in Sweden were excluded from this study since it was assumed that they would have a small effect on consumer trust in food retail. It was also believed that their communication in CSR might be read and thereby affecting fewer stakeholders than the three big corporations.

The study was further confined to Swedish food retailers. Nothing was included about the supply chain or food retailers outside Sweden. The fact that ICA is a corporation present in several countries was not taken into account. It was only what is communicated in Swedish websites that was analyzed. Furthermore this communication was limited to CEO statements and sustainability policies for each firm.

1.4 Outline

In this section the outline of the thesis is presented and some arguments are given for some of the choices made in relation to the structure of this paper.

Chapter one describes the background of the study and some problems related to the area of study. Research questions are presented and delimitations of the study explained. The problem area takes as a starting point sustainable development and use of natural resources.

Chapter two describes the method that was used in the study. The chapter gives an overview of the different steps in the research method, literature review, building of theoretical framework, collection of data and data analysis. Arguments for the different method choices are presented and ethical considerations in relation to the study presented.

Chapter three describes the theoretical framework. The theories are presented and parts that were used are presented in a theoretical framework. The chapter starts with a declaration of the view of sustainable development that underlies the study and thereby affects the interpretation and understanding of the result from the data collection. Since it was CSR that was studied, an overview of different theoretical understandings of this concept is presented. Two aspects in relation to CSR are then presented, organisational legitimacy and codes of ethics.

With chapter four the study moves into the empirical field and presents some background variables that was used when collecting the empirical data.

Chapter five presents the background to the corporations and also the empirical results collected from the different documents retrieved from the corporations. The results are presented in different sections in order to make it easy to read. Presentation of the material starts with the Chief Executive Officer (CEO) statements and moves on to the companies' sustainability policies. The results from this is then set in relation to a code of ethics, the UN Global Compact as a way of detecting use of ethics in corporate communications. The final part of the results section is collecting the result from corporate communication in relation to the horsemeat scandal. This final part serves as a way to illustrate how the corporations apply their views of sustainability and CSR in a practical context.

Chapter six moves on to the analysis of the results presented in the previous chapter. In this analytical part of the chapter the research questions are set in relation to the result and the theoretical framework. In chapter seven the results are discussed from the view of sustainable development and this chapter discusses each research question under a separate heading. Finally, chapter eight presents the conclusions from the thesis and suggests some areas for future research.

2 Method

This chapter describes the choices related to the research design. It describes methods of data collection, analytical techniques, quality assessment in the process and the theoretical foundation of the study.

2.1 Literature review

In order to get an overview of the current academic research, a literature review was done as a first step in order to get familiar with the subject and to be able to delimitate the subject for the thesis. Some main search words were used. These were “Corporate Social Responsibility”, “Organizational” and “Food Retail”. These words were used together with one another and also put together with the words provided in table 1. All words were combined so as to give as broad search as possible and still confine the results to the area of the study.

Table 1 The main words that was used during literature review (own table design).

Ethics	Rhetoric	Trust	Communication
External	Legitimacy	Theory	Sustainability
Crisis management	Codes of conduct	Business	

Databases that were used and proved especially useful were Uppsala University Library, JSTOR and Wiley Online Library. Journal of Business Ethics was the most used journal. Articles from before 2003 was usually left aside since they can be considered too old to provide new insights and references to current research. Exceptions were made when articles concerned theory and/or method aspects.

For access to media articles Mediaarkivet was used as the only database since they store all articles published in Swedish daily newspapers. In this search other search words were used. These were “hästkött”, “hästköttsskandalen” and “hästköttshärvan”. These words were used separately but also in combination with the names “ICA”, “Coop” and “Axfood”. In Mediaarkivet the search was confined to the middle of January until the middle of March, this in order to get the results for the present horsemeat scandal only.

There has not been much research about CSR within the food retail sector (Hartmann, 2011). There has been some both previous and recent research concerning supply chain management within food retail (e.g. Poetz, 2013, Forsman-Hugg, 2013 and Preuss, 2008), but not much on how food retailers communicate their CSR towards costumers. Despite this a theoretical understanding around the subject could be built since there is an extensive amount of research concerning CSR and communication of CSR.

The literature review provided a good insight into commonly used literature and the bibliographies in academic papers provided a basis for an expanded field of search.

2.2 Theory

The theoretical framework was based on organizational legitimacy and documents were analysed using content analysis. This framework was formed from a literature review.

Organisational legitimacy serves as a base in the conceptual framework. This kind of legitimacy is needed in order for a corporation to maintain its business and grow (Castelló and Lozano, 2011). Since legitimacy is gained in interplay between corporations and different stakeholders the theory of legitimacy also connects well to CSR. This since CSR generally is action that a corporation perform, starting from either stakeholder dialogue/pressure or from ethical considerations within a broader social environment. CSR is hence viewed as one important path for a corporation to gain legitimacy (Marais, 2012). Suchman (1995) identified three different types of legitimization processes; pragmatic, cognitive and moral legitimacy. Pragmatic legitimacy rests on the understanding of the self-interested customer and legitimacy is gained if a organisation meets stakeholder's utility (Marais, 2012). Cognitive legitimacy is considered to more of a sub-conscious kind of legitimacy, but still an organisation need to provide sufficient information in order for stakeholder's to value organisational operations (Marais, 2012). Lastly, moral legitimacy comes when an organisation is able to show an ethical behaviour in relation to business activities (Marais, 2012). Palazzo and Scherer (2006) argue that moral legitimacy is the type of legitimacy that will provide a stable foundation in a time of great societal change. Therefore it is this type of legitimacy, frequency and use of in corporate communication that will be looked for.

In order to gain legitimacy a corporation communicates its actions and this might enhance the chances to maintain legitimacy if this is done in a way that are consistent with stakeholders' reality. The use of language is a crucial point here. Language is the tool whereby individuals create and sustain their reality (Berger and Luckmann, 1991). Corporations are actors in a social environment and therefore as an actor has to create and sustain their reality. One important aspect of this creation of reality is to find legitimisation of it. From a corporate perspective a written discourse is one strategy that can be deployed in order to legitimize corporate actions and reality (Hardy *et al.*, 2000). To study corporate statements regarding CSR might then provide an insight into the kind of legitimacy a corporation is striving for.

When corporate statements are studied it is documents of rhetoric that are studied. They are written in order to convince and motivate a variety of stakeholders that the actions and business of a corporation could be deemed desirable. Rhetoric is a way of understanding the role of language in social action (Castelló and Lozano, 2011). In this study the content analysis is governed by the understanding of rhetoric's. This means that an actual rhetoric analysis is not performed but that varying themes deployed in rhetoric serves to identify important themes in the CSR communication of the firms.

2.3 Choice of sector

Food is a daily human need and there is a growing public interest in food and cooking. This can be seen from the number of TV-shows, which are dedicated to cooking. There has also been a growing awareness of food quality and an interest in the origins and content of food. One example of this is the media attention the book "Den hemlige kocken" (The secret chef) (Nilsson, 2008) received when it was released in Sweden 2008, a book that was investigating all the artificial substances that is put into food and how these might affect humans.

The food sector also has a tremendous impact on the environment. This impact ranges from land-use to energy consumption both in transportation and in stores. Due to this there is a multitude of issues that has to be dealt with within the food sector and it is the food retail industry that is closest to the end-consumer. The literature review showed however that not much had been written about CSR within this sector of business (Hartmann, 2011). To conduct research in this area might therefore be of benefit for both research community and the industry.

The attention in media when the fraud of horsemeat was revealed shows the implications this sector has on everyday life. In Swedish printed media there were over 1800 hits during February 2013 when the word "hästkött" (horsemeat) was used as a search word (Mediearkivet, n.d.).

2.4 Choice of units of analysis

Units of analysis are the three largest food retailers in Sweden, ICA, Coop and Axfood. They were chosen since it can be assumed that they have a profound influence on consumers and are of a size that makes them well equipped to implement codes of conducts and CSR in their respective firms. They also have extensive material on their websites in relation to the subject for this thesis.

More precisely the unit of analysis were the CEO statements, sustainability policy and press releases concerning the horsemeat scandal. This latter was especially important since the case-study that was used as an illustration in this research project was ongoing during the period of research.

2.5 Empirical study

The first part of the study was based on material that can be considered to be unobtrusive measures in character. Unobtrusive measures are defined by Robson (2011, p.346) as things left behind by humans but for another reason than the research may intend. These things give clues to human society and its values. Archaeology is a science that uses this kind of measure to a high degree. Radioactive waste and climate change could be argued to be two unobtrusive measures of human activity in present time. The advantage with using unobtrusive measures is that the research object is not affected by the use of the researcher, the disadvantage being that a e.g. document may not be intended originally for the purpose the researcher has. Therefore an important question that needs to be asked is for whom the document is written and for what purpose (Robson, 2011 p.349).

It can be argued that documents published to enhance a corporation's legitimacy are rhetoric in intention and character. They are there in order to persuade consumers that the corporation is following the accepted norms in

society. *“Rhetoric...focuses on the explicitly political or interest-laden discourse and seeks to identify genres or recurrent patterns of interest, goals and shared assumptions that become embedded in persuasive texts.”* (Castelló and Lozano, 2011, p.14). Hence it can be argued that by paying attention to rhetoric elements while doing the content analysis takes into account the intended use of the material analysed.

The study was performed as a descriptive study. There were no intentions to generalize from the data retrieved. The study limits itself to giving a glimpse of a contextual situation in a specific society.

2.5.1 Case study

A case study is a study on a particular, specific case set in specific social context (Eisenhardt, 1989). The empirical part is the collection of data about what is going on in the specific case (Robson, 2011). Case studies can be performed on a variety of levels, ranging from one individual as the case to organizations as a case. It might also be specific events, like dying organisations (Eisenhardt, 1989).

A case study could provide description, to test theory and to generate new theory (Eisenhardt, 1989). It might also be conducted on a variety of levels (Yin, 2009). Since the literature review showed that few studies had been conducted within the food retail sector the focus of this study is to provide description. This might in turn contribute to add understanding to the complexities and challenges that this industry faces.

It is important to bear in mind that case-studies can be loose or more structured. This poses the problem of data collection. With a loose approach it can be hard to determine what kind of data that is important but in a more structured one might miss important data due to the tightness of the theoretical pre-understanding (Robson, 2011). This study can be seen as semi-structured since there was a clear focus on CSR communication and the delimitation of material used was set early on in the study. This could have the negative impact that important aspects of the chosen corporations communication on CSR might be missed.

As Wagner *et al.* (2009) points out corporate communication sometimes can be biased, i.e. portraying the firm as better than it in reality is. This is a problem that needs to be taken into account in this study since it uses web communication from corporations.

2.5.2 Data collection

The method for retrieving data is by use of web sites. This provides easy access to data. It also gives data that are supported expressions of the corporation's values and views of CSR. The web sites are the sole source of information since the aim of the study is to describe the use of rhetoric in web-based communication.

The choice of web sites as a means for data gathering enables to give a view of CSR communication on a national level since the web sites serve not a specific store but the whole corporation.

Since the content on the web is public no permit to access the content had to be obtained. Still it was important to inform the corporations that this study was performed. This was done by e-mail where an outline of the study was given and the research questions were presented.

2.5.3 Data analysis

The theoretical framework of rhetoric and legitimization was used in order to analyze if corporations communicate moral legitimacy since pragmatic and cognitive legitimacy might not provide accessible roads in an era of globalisation. The process of globalisation might also add moral pressure on companies from a large part of stakeholders (Borglund *et al.*, 2012).

According to Castelló and Lozano (2011) the study of written documents presents an opportunity to analyse a corporation's legitimacy strategy. Documents of interest in this research were documents communicating the companies' work within CSR, especially sustainability reports and CEO's statements in these, since they can be assumed to express rhetoric's intended to inform and persuade readers of the company's good ethical behaviour.

The data collected was analysed by content analysis and with the theoretical framework of CSR theory and legitimacy. Castello and Lozano (2011) provided the foundation for the analysis, since their typology was used in order to analyse the material.

The method for data analysis was reading the material with an ambition of grasping indications of a moral or ethical corporate discourse. Such statements are normative in character and in a constructionist view of reality normative statements has its roots in legitimisation of the institutions in society (Berger and Luckmann, 1991). The constructionist view means that reality is regarded as something being built by social actions whereby things, people and activities are assigned a place in the social order and understanding of life. Events and organisation have the position they have in our life because we have given them that position, we construct our own reality (Berger and Luckmann, 1991).

Looking at rhetoric use in some statements is in this study a way of identifying a corporation's strategic communication. What are a specific corporation communicating and what implication has these choices of issues being communicated on the image and legitimacy the corporations might strive for? In the analysis there is a special lookout for inconsistencies between rhetoric used in CEO statements and the findings from other documents relating to CSR within a firm.

In order to illustrate this communication, newspaper articles reporting about the horsemeat scandal were analysed. Special attention was paid to direct quotes from officials representing ICA, Coop and Axfood in order to look for consistency or inconsistency in communication of CSR in a specific case. The possible absence of communication through this kind of media channel was also paid attention to.

2.6 Ethics

An unobtrusive measure such as the use of web sites documents raises a few ethical considerations. Although the documents are public and there is no technical need to get permission to use them there is still a moral issue whether or not to inform the corporation management that the documents will be used in a specific research and for what purpose. In this study a mail was sent to the corporations to inform them about the study with an invitation to send and questions or concerns about the study to the researcher.

3 Literature review and theoretical perspective

This chapter introduces the theory related to corporate legitimisation. It connects this with challenges within food industry for sustainable development and the need for the business to communicate CSR. It elaborates on the different analysis methods that were deployed in the study and connects them to changes within organisational legitimacy.

3.1 Literature review

There has during the past years been an increased pressure on corporations to be transparent and to adhere to ethically good practices, not only in environmental actions but also in financial and social issues (Kolk, 2008). The reasons for this upsurge in pressure are manifold, the financial crises being one and disclosure of frauds and other unethical behaviour being others (Basu and Palazzo, 2008).

3.1.1 Sustainable development

Sustainable development got a wide spread by the report Our Common Future (WCED, 1987). It was defined as a development that would meet the needs of the present without compromising the needs for the future. This is a definition that is broad in its scope and therefore can be interpreted in many ways. It is further a definition that raises a lot of questions, maybe more than it answers. One of these is how to obtain knowledge of future generations needs and also to define the word “need”, what is considered a need and what is not considered a need. This would most likely vary depending on the cultural and social context and it might be hard to reach a global agreement and understanding on the concept of need. There is some basic need that doesn’t differ no matter culture, like food, housing and clothing. But is a cell phone a basic need or a car? This might depend on what one ground basic need in. If things needed for physical survival are the only things considered basic, then neither cell phone nor car is a basic need. Maybe it could even be argued that access to cell phone and cars are basic needs in countries where infrastructure is less developed than in e.g. Sweden.

Since there is no agreed upon single definition, sustainable development has been interpreted in a variety of ways and the three dimensions of sustainable development, economic, environmental and social dimension, a so called triple bottom line (Elkington, 1999), has been arranged in different relations to each other. The economic dimension contains economic development, business climate and other things related to direct economic activity while the social dimension refers to social security, unemployment and health. The environmental dimension concerns things like biodiversity, area of arable land, quality of land and water and such things.

The Venn diagram (figure 1) is maybe the most famous depiction of how these relationships between the different aspects can be understood. It shall be read as a depiction of the three areas that are needed in order to achieve sustainable development, but it is only where all three areas overlap that sustainable development is taking place.

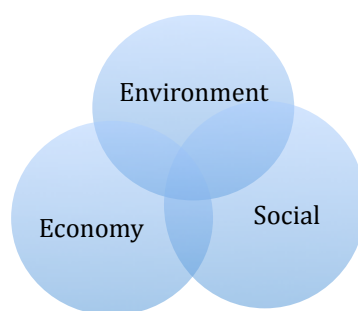


Fig. 1 The three dimensions of sustainable development. All three are necessary in order to achieve a sustainable development, but in this model there is no hierarchy between the dimensions (own design).

This depiction of sustainable development has the weakness of viewing these dimensions as separate and only partly overlapping. This might make it more difficult to use and to measure if a development is sustainable or not since there is no guide to show how much of each dimension that should be included and also there is no way of determining any hierarchy among the three dimensions which might be necessary to do in some situations. Griggs *et al.* (2013) argues for the necessity of constructing measurable indicators and they argue for a hierarchy, with the Earths carrying capacity at the top of the hierarchy, in order to reach the goals of sustainable development.

The picture of sustainable development as a totality of input and output captures the complexity and interconnectedness of the dimensions in sustainable development and at the same time gives a hierarchy where the carrying capacity of nature sets the boundaries for the total input (figure 2).

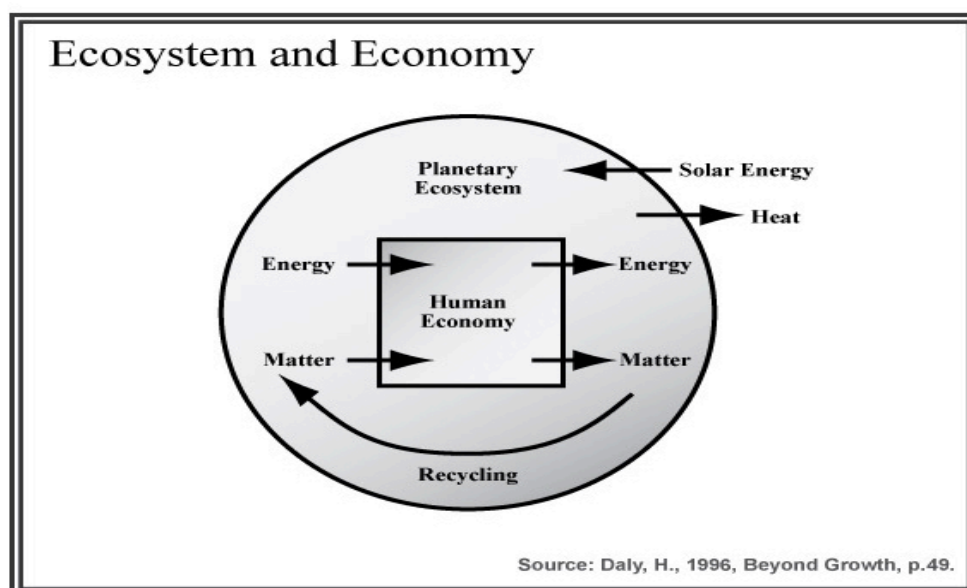


Fig. 2 An illustration of the inflow of energy to the Earth and the consumption of this energy in various human activities. Illustrates the limited resources of the Earth and the need for human activity to stay within these limits (Daly, 1996, p. 49)

Daly (2006) argues for this model finding his argument in the laws of thermodynamics. It builds on an understanding of the Earth as a globe of limited resources. Therefore, nature's carrying capacity must set the limits for how large economic activity can be. The behaviour of corporations and their economic impact has become an important aspect of sustainable development. Herman E Daly (2006) is one researcher to point to the impact of the economic neoclassical system on sustainable development. This is one reason why corporations should be encouraged to disclose their economic, social and environmental activities. This disclosure might then also keep unethical behaviour at bay. Daly's (2006) view also put forth the problem of economic growth in combination with sustainable development. Trying to achieve economic growth at the same time as sustainable development might prove very difficult according to Malik (2012). This since the goal of growth, understood as more production and higher consumption, is in opposition to the limited resources the Earth contains.

This is the view of sustainable development that lies at the bottom of the theoretical understanding in this research and as such will have some effect on interpretation of the data collected.

3.1.2 Corporate Social Responsibility

Sustainable development, still being a concept of many interpretations, is at the core of CSR (Gill *et al.*, 2008). Sustainable development was first tied to societal development and corporations were left outside this but in Rio 1992, corporate responsibility became tied to sustainable development (Borglund *et al.*, 2012). Still to this day CSR suffers much the same problem as sustainable development when it comes to definitions.

There are multitudes of definitions of CSR. Dahlsrud (2008) listed 37 different definitions found through a search on the Internet. The amount of definitions has sometimes been declared to hinder corporations to implement CSR work; since it would be too difficult to choose between the definitions. Dahlsrud (2008) reaches the conclusion that even though there are a lot of definitions they all evolve around the same theme that he identifies to five different ones. He argues that the challenge for business is not to define CSR but rather to figure out how CSR can be socially constructed in a specific corporate and social context. Therefore, in this study CSR will be defined as a company's obligation to minimize negative effects on society from corporate operations and strengthen positive impact on society and that these impacts concerns economic, social and environmental activity (Wagner *et al.*, 2009).

3.1.3 Corporate Social Responsibility: a very brief history of development

The development of CSR has a long and winding history. It has its roots in the 19:th century, even though some authors trace it as far back as ancient Greece as do Eberhardt cited in Panwar *et al.* (2006). But as a concept in its own right it is more meaningful to start in the early 20:th century.

The first stage of modern CSR has a focus on profit maximization. The most famous proponent for this view is probably Friedman who, as cited in Schwartz and Saiia (2012) claimed that the sole social responsibility for a corporation was to maximize its profit and abiding by society's legal and moral rules. According to them, it is important to understand that Friedman at the same time stated that businesses has an obligation to abide by legal rules as well as by non-legal ethical culture in the society where the business operations take place.

The second stage was the recognition that a corporation has to maintain a balance between different claims from stakeholders. The concept of stakeholders was that it was those directly and indirectly affected by corporations' actions. The drive behind this development was the emergence of pluralistic societies in e.g. America and Europe (Panwar *et al.*, 2006).

The third stage of CSR development was conceived when the public or political agenda was concerned with distribution of wealth, pollution and degradation of natural resources due to corporate activities (Panwar *et al.*, 2006). One important reason for this development in CSR was the globalisation process and the accessibility of new forms of media, like Internet, provided for concerned costumers. The ability to scrutinize and put pressure on corporations was increased by these opportunities (Stohl *et al.*, 2009). This is where we currently are in CSR development. CSR has moved from being mainly concerned with philanthropy to be a tool that helps corporations be an active corporate citizen in society.

From this short history of CSR development it is possible to outline a "field of action" where CSR is taking place. In figure 3 this is depicted. It shows not an actual movement in practice, but a possible movement for firms and what this movement would incur by means of action, policies and understanding of the firms role in society and in regard to different stakeholders. In food retail this is especially interesting since food retailer are in a position to influence both consumers and producers.

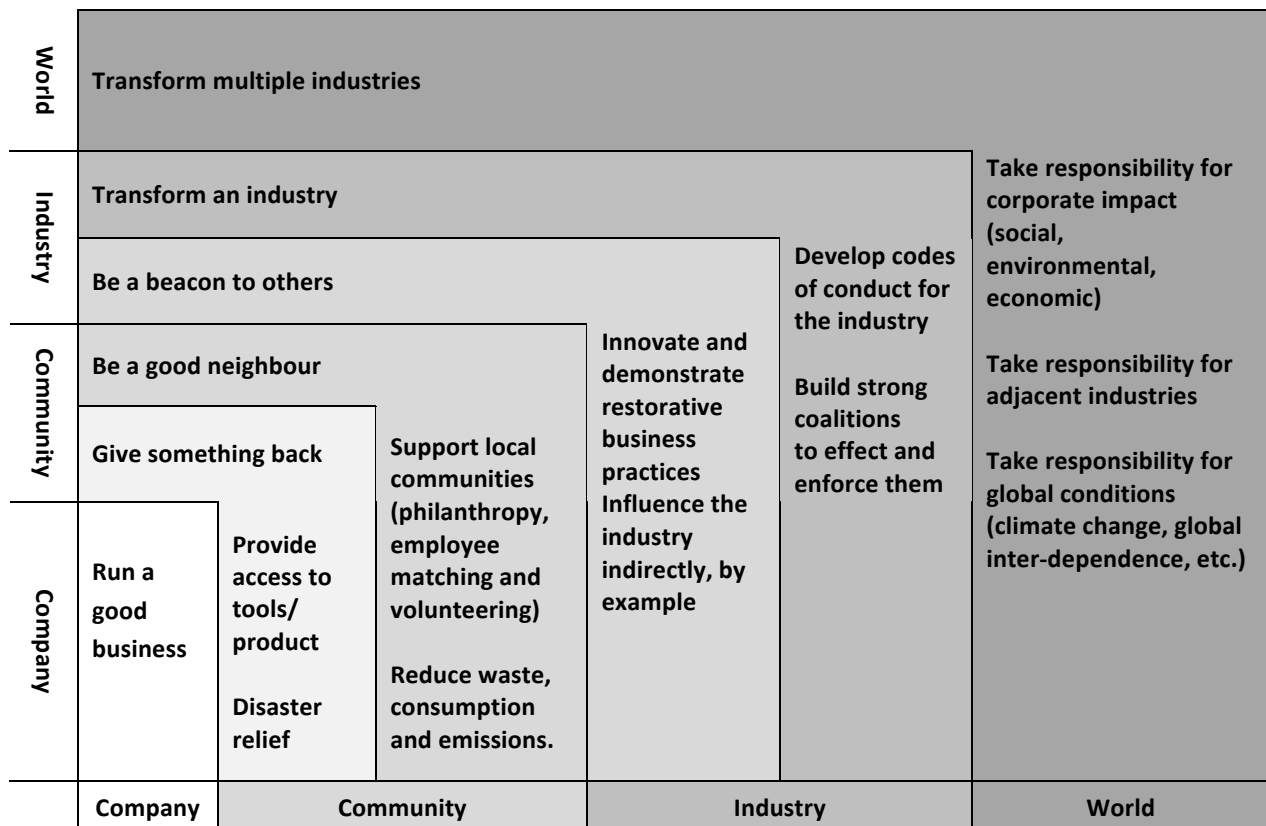


Fig. 3. Different playing fields where corporate responsibility can be put to action. Illustrates a possible gradual development from the bottom left corner (instrumental CSR) going to upper right corner (political CSR) (A corporate responsibility landscape (McElhaney, 2008, p. 230).

Parallel with this development of CSR forms there has also been a change in the ethical foundation of CSR. Stohl *et al.* (2009) distinguished three different perceptions of ethics through history. According to them the first generation of ethics was concerned with the legal demands on a corporation, second generation focused on corporate responsibilities for groups directly connected to the corporations activities and the third generation of ethics are grounded in the responsibility a corporation has for the larger, global environment, both natural and social. To cope with a changing social environment, to handle pressure from different stakeholders, a number of CSR theories have seen the day of light. As all new-borns it has taken some time for them to be independent and strong.

3.2 Corporate Social Responsibility theories

During the history of CSR there has evolved a number of theories. Garriga and Melé (2004) divided these theories into four main categories, instrumental, political, integrative and value driven theories.

Instrumental theories are theories that focus on how a firm could reach its economic objectives through social activities. Economic activities or profit maximisation is understood to be the main social responsibility in these theories. Instrumental theories have been around for a long time and have become widely accepted in business (Garriga and Melé, 2004). These theories, with Milton Friedman and the Chicago school as main proponents, have made a tremendous impact on CSR theories (Kemper and Martin, 2010).

As a reaction to the hegemony of the instrumental understanding of CSR other theories began to develop in the early 1980's (Kemper and Martin, 2010). They can be sorted into three different categories: political, integrative and value theories (Garriga and Melé, 2004).

The political theories underline the social power of a corporation and the relationship with society. This has led to, e.g. the theory of corporate citizenship, where a corporation is considered to be a citizen with the same obligations and responsibilities to interact and take part of societal relationships and to give a positive contribution (Garriga and Melé, 2004).

The integrative theories argue that any corporation depends on society for existence and therefore ought to include social responsibilities into its business practice. The most renowned theory within this group is probably stakeholder management. The objective for a company is to achieve cooperation between as many stakeholder groups as possible and the business objectives of the firm. This means that stakeholder issues should be integrated into managerial decisions (Garriga and Melé, 2004).

A final set of theories is the ethical theories. They claim that the relationship between a corporation and society rests on ethical values. Therefore a firm ought to respond to social responsibilities as an ethical obligation. There have been several ways of defining the ethical principles that should govern a business in social responsibility, like universal rights, sustainable development and the common good (Garriga and Melé, 2004)

These four approaches can be considered to be the main approaches for the CSR strategy a business might choose. Depending on the strategy the outcome might look quite different and this could then influence the objectives possible to reach. Palazzo and Scherer (2006) claim that what is really at stake for businesses at present, is their legitimacy, or license to operate.

3.3 Legitimacy

For any corporation legitimacy is a key factor to success (Castelló and Lozano, 2011). Legitimacy is understood from a social perspective as the "process of explaining and justifying" (Berger and Luckmann, 1991, p.111). In society this concerns everything from kinship to institutionalisation of governmental authorities. Legitimation consists of two elements, a cognitive and a normative. This means that legitimisation not only tells an individual in a society why it is the right thing to do a special act (normative), it also tells why things are what they are (cognitive) (Berger and Luckmann, 1991, p.111).

When this is applied to a business setting legitimacy is a corporation's process of explaining and justifying its existence and this process includes the normative element of why the actions the corporation take is right but could also include the cognitive element of telling why things are as they are within the corporate environment in relation to the stakeholders. In Swedish food retail the selling of tiger shrimps could serve as an example. The tiger shrimp is generally produced with both social and environmental impacts like e.g. social issues be loss of

employment and livelihood in the production area and child labour. Environmental impacts are, among others, loss of biodiversity, degradation of mangroves and degradation of water quality (Rotter *et al.*, 2012). Food retailers have three options here. The first is to expose themselves to criticism and pressure from stakeholders by continue business as usual and this is usually not considered as a beneficial option since it can lead to diminished legitimacy and even to a loss of legitimacy. The second is to try to find some kind of certification that can build trust among consumers that shrimps are produced in an environmentally and socially safe way. The third option is to take the tiger shrimp out of stock. The two latter are strategies for building trust and legitimacy. In the case of Swedish food retail there were different approaches from the three largest retailers. One sought to continue sell certified tiger shrimps, but all stakeholders did not accept the certification. This might then cause a problem of legitimacy. The two remaining retailers decided to get tiger shrimp out of stock but this was enforced in different ways where differing business structures affected the implementation (Rotter *et al.*, 2012). These different approaches from the businesses show varying ways of dealing with issues of legitimacy and justifying actions and responding to stakeholder pressure.

The above-mentioned example shows how globalisation could pose a problem with legitimisation from a corporate perspective. When corporations have business activities on a global scale this means that they are involved in business activities in a variety of cultural settings with varying norms. To understand this it is important to understand that there are a variety of norms in every culture and some of these can be said to be universal or hypernorms (Fisher, 2009, p. 322). These norms do not pose any problems when it comes to businesses becoming global and they are, as figure 4 shows, at the centre of morale. But these norms are also very few so they might not be enough in order to give guidance in more detail. The next level of norms is consistent norms. They are culturally specific but in consistency with hypernorms and therefore generally not a problem in global business (Fisher, 2009, p. 323). It is the last set of norms that can cause problems. They belong to something that can be called moral free space (Fisher, 2009, p. 323). A moral norm that can belong here is the norm of at below what age a child is considered to perform child labour. This might vary in different cultures and the problem for a business is, that what is considered good morale by stakeholders in the corporations country of origin might not be at all considered good morale for stakeholders elsewhere.

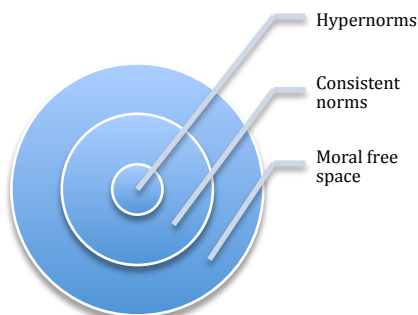


Fig. 4. The moral universe of a society.

3.3.1 Organisational legitimacy

Suchman (1995) points to the fact that when it comes to organisational legitimacy there was under a long period of time no consensus on how to define this concept. Basically there were, and still is, two schools of thoughts. In the strategic school emphasis is put on how corporations can manipulate and use symbols to gain societal support (Suchman, 1995). The institutional school emphasis the cultural pressure exerted in society that sets legitimacy outside corporate control (Suchman, 1995). The problem according to Suchman (1995) is that none of the schools have defined what organisational legitimacy is.

Suchmans own definition draws on the cognitive and evaluative aspects of legitimacy:

“Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.”
(Suchman, 1995, p. 574)

This definition put forth that legitimacy is gained if stakeholders deem the actions of the corporation desirable and that desirability stems from a social construction of values.

One important aspect of legitimacy is whether a company seeks active or passive support from stakeholders. A passive support indicates that a company more or less wants to be left alone and therefore legitimacy claims are low. If active support is sought then legitimacy demands can be stringent (Suchman, 1995).

According to Palazzo and Scherer (2006) there has been a decline in corporate legitimacy during the last decade. This, in their view, is a result of the challenges that modern society faces in the form of changes in lifestyles and weakened national governance systems values. This then challenges corporations to engage in a process of active justification towards stakeholders rather than just react to different claims from important groups. This means that legitimacy could involve a proactive agenda from the corporate side. But legitimacy has also been challenged due to different questionable behaviour from the firms. This includes economic transactions of doubtful character, violation of human rights and irresponsible handling of environmental effects of the business (Palazzo and Scherer, 2006).

As seen above, legitimacy is something that is made up in the broad context of society, it involves stakeholders and businesses alike but it can be argued that legitimacy is conceived in the stakeholder group and corporations aim to fit into an accepted construction of legitimacy, that involves norms, values, beliefs and behaviour. Further it has been pointed out above, that legitimacy is challenged in modern society. From that observation follows that companies might have to pay even more attention to legitimacy in present times and also be more aware of what kind of legitimacy they are pursuing.

Usually three different ways of legitimacy are recognised: pragmatic, cognitive and moral legitimacy (Suchman, 1995). Pragmatic legitimacy states that stakeholders will give legitimacy to a company as long as they recognise benefits from it. Those benefits could be on the individual level or on a societal level, even though the individual might be more important (Palazzo and Scherer, 2006). Looking at food retail this is a kind of legitimacy that might be easy for corporations within the business to pursue. As long as costumers' benefit from buying safe, healthy food at prices deemed reasonable, corporations will have this type of legitimacy. This kind of legitimacy might then be a balance act between increasing stock of food products produced in a sustainable manner and keeping prices at a low level. Sustainable production is generally more expensive than traditional production. So a corporation has to decide what will be of greatest perceived benefit for costumer in order to stay legitimate. This might then lead to a conflict in goals between "going green" and providing beneficial shopping for consumers.

Cognitive legitimacy on the other hand, presumes a subconscious understanding of the social context. It states that legitimacy is granted as long as there is some taken-for-granted assumption that the actions of a corporation serves some commonly agreed upon action deemed necessary in society (Palazzo and Scherer, 2006). Two strands of this type of legitimacy can be identified, one being the "taken-for-granted". This kind is extremely hard to accomplish since it bears the notion that there are no alternatives to the organisation performing some kind of activity (Suchman, 1995). The other type is comprehensibility, meaning that the actions by an organisation are seen as meaningful and predictable (Suchman, 1995).

This is especially interesting in relation to food retail. Since the majority of the Earth's population live in urban areas, it is not possible for households to be self-sufficient in food. Food retail through supermarkets has become the way for society to secure access to food in urban areas. This development might then indicate that food retail operates with a cognitive legitimacy, i.e. a sub-conscious understanding that this is a construction of society that serves the goal of food supply to citizens in a predictable manner. What could be considered a negative or at least risky feature in cognitive legitimacy is that it is understood as a sub-conscious legitimacy. This means that legitimacy can collapse if or when the sub-conscious understanding is replaced by conscious considerations of a corporation's action (Castelló and Lozano, 2011). In food retail a cognitive legitimacy might then collapse if, for instance, an issue like the horse meat scandal occurs, or if it becomes obvious that a corporation is not adhering to its own policies, e.g. if non-certified tiger shrimps are being sold despite clear statements that it should not be available in the shop.

Moral legitimacy could be seen as the opposite of pragmatic legitimacy. Moral legitimacy is not founded in the self-interest of society members but rest on the notion "the right thing to do". Conscious moral reflections on firms' actions in a society are what this legitimacy refers to (Castelló and Lozano, 2011). This last sentence also show how moral differ from cognitive legitimacy, the first being conscious and the latter sub-conscious. In Nyköping, Sweden, an ICA store advertised the bananas not ecologically produced as "sprayed" bananas (Clemens, 2012). This can be considered as striving towards moral legitimacy. The customer can still choose to buy the bananas preferred by the customer, but the store has both given some relevant information in regard to health and ethics as well as opened up for a dialogue around what kind of bananas that is consumed. To give this

kind of information also suggests that both the store as well as customers have a moral obligation beyond self-interest.

But moral legitimacy might be necessary out of societal change as well. Palazzo and Scherer (2006), argue that societal change as change in life-styles and values as well as loss of efficiency in the national governance make it necessary for corporations to gain moral legitimacy, since pragmatic or cognitive will not provide the legitimacy needed in a changing environment. Due to an increased accessibility to a variety of social media corporate bad behaviour gets attention faster and information about corporate misconduct gets a wider spread. Therefore public trust in corporations moral is declining (Palazzo and Scherer, 2006).

Since the understanding of CSR in this research is based on a corporations obligation to minimize external and internal negativities and exert a positive contribution to society there is implicit that in order to achieve this there has to be a normative conformity between firms and society. This is also true since corporate legitimacy is based on the societal environment and if this environment changes so does the fundament for legitimacy (Palazzo and Scherer, 2006).

Cognitive and pragmatic legitimacy are both based on the assumption that in a capitalist society corporations are a-political and that profit maximization benefits every stakeholder (Palazzo and Scherer, 2006). There is a growing pluralisation and a changing societal environment and growing distrust in corporations that challenge these assumptions. If society is moving towards a criticism of profit making as the overarching goal for a corporation then neither the pragmatic or cognitive legitimacy will hold (Palazzo and Scherer, 2006). Corporations are put under pressure from a variety of stakeholders today, both internally and externally as shown in figure 5. The figure presents the “flows” of pressures and also some ways that corporations try to meet these pressures.

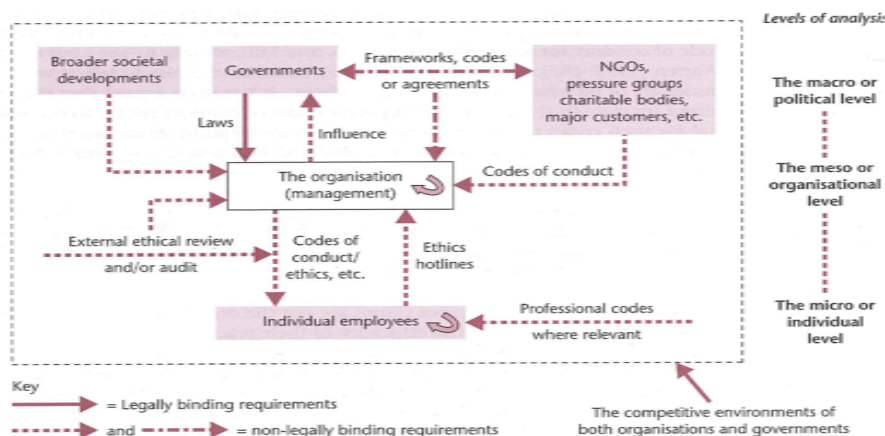


Fig. 5 An illustration of different pressures directed to and from an organisation. Shows different levels of analysis in order to identify the type of pressure and to illustrate that an organisation affects all levels in society (Fisher, 2009, p. 388).

What figure 5 describes is a variety of pressures upon corporations today. Since the number of stakeholders have risen, thanks in part to the rise of new media like internet it is more challenging for corporations today to handle all the different demands from stakeholder groups. Some of these pressures are based on moral assumptions on how society should reach goals of becoming a good society and what roles business firms play in this development. Pressures from stakeholders today include reputation of the firm which affects trust and thereby legitimacy if not properly addressed by the company (Aguinis and Glavas, 2012).

The on-going globalisation must also be taken into account in this discussion. Corporations operating on a more and more global field face the difficulty of differing societal norms. Since this field of action has no broadly accepted normative rules legitimacy has become a critical issue for businesses (Palazzo and Scherer, 2006). It can then be argued that moral legitimacy is the path forward for a corporation, since the moral legitimacy will help a corporation to operate on a global field. Not because moral legitimacy should mean that a corporation has a set of rules that it abides by, but instead since moral legitimacy only can be achieved in an ongoing dialogue with all stakeholders (Suchman, 1995). This dialogue is necessary if a corporation shall gain moral legitimacy.

3.3.2 Maintaining and repairing legitimacy

Suchman (1995) describes the measures usually taken when legitimacy is being gained, maintained and repaired. Of special interest in this research are the two latter aspects, since horse meat scandal will be used as an illustration of how the three companies in this research handle both ethical aspects of CSR and legitimacy. Therefore those two will be given a closer presentation and the aspect of gaining legitimacy is left aside and also since all three corporations are well established companies that are not in need of gaining legitimacy.

It is important to point out that legitimacy is a relationship with an audience, not a possession of an organisation (Suchman, 1995). This indicates why legitimacy is so important for a corporation and at the same time can be so hard to manage. In a relationship, be it between two persons in love or between a company and stakeholders, no one person “owns” that relationship and is in a position to dictate the arrangement of the relationship. It is through dialogue that legitimacy in the relationship can be upheld.

To illustrate this Suchman (1995) describes two different approaches when it comes to maintaining legitimacy. They are shown in figure 6.

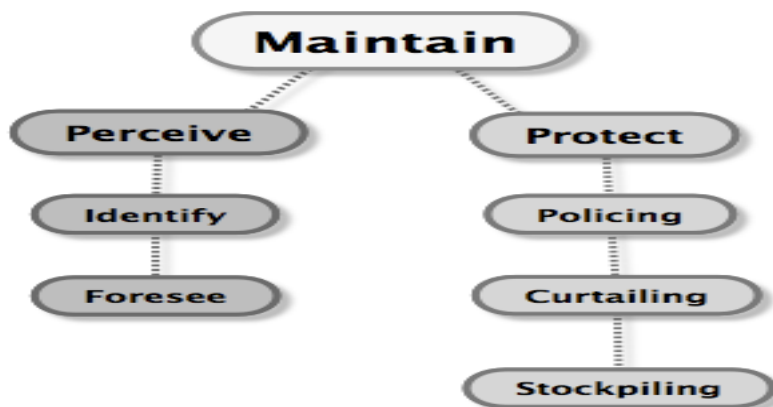


Fig. 6. Describes the two main approaches of maintaining corporate legitimacy and the measures for each approach in order to reach the goal of maintaining. Figure adapted from Suchman (1995)

To perceive change is an organisation's ability to identify stakeholder reactions in advance and to foresee challenges rising from a changing societal environment, e.g. change in moral or outlooks in general (Suchman, 1995). There are some weaknesses to this strategy that Suchman (1995) points out. One is that it might be difficult for managers to be able to perceive changes in the environment, since a corporation usually has its own myths and stories to explain its existence and actions. These tend to obscure what is going on in the surrounding environment.

To protect accomplishment usually entails some kind of formal control on internal operations in order to avoid mistakes and failures. It can also consist of curtailing those legitimacy efforts considered highly visible and instead use more subtle methods. Finally it entails stockpiling goodwill and support from stakeholders. The latter has communications as a key factor (Suchman, 1995).

When legitimacy is lost this sometimes has to do with some special event, like disclosure of economic fraud or other unethical behaviour, more often though, legitimacy is lost because stakeholder fail to see meaning with the corporation (Suchman, 1995). For example stakeholders perceive what is supposedly genuine structures to be merely facades. This might be true of the horse meat scandal where the structures for controlling meat origin was somewhat trusted until the scandal when these structures became facades in the eyes of consumers.

To regain legitimacy corporations can choose some different strategies. They are shown in figure 7.



Fig. 7. This figure shows two ways of regaining corporate legitimacy after a crisis. They are mutually excluding as strategies. Figure adapted from Suchman (1995)

The figure above intends not to indicate any hierarchical order of strategies. They can be deployed in different order and some may not be used at all by managers.

To normalize has the objective of separate a specific event from the structure of the company as a whole, meaning that the event should be considered by stakeholders as an extraordinary event that does not affect the main aim and meaning of the firm (Suchman, 1995). In order to achieve this, management can use one or several of the strategies listed in the figure. Denial does not entail to deny the problem as such but rather to deny that the problem is a problem for the company. This is a dangerous strategy since further revelations pointing in the opposite direction may cause even greater harm to legitimacy. Therefore management might use excuses, meaning that they question the moral responsibility in the particular event and puts the moral responsibility outside the firm. This is a double-edged strategy though since it implies that the management is poor since it did not detect an unwanted moral behaviour in e.g. one of its suppliers. To justify means to try to make the event appear as consistent with prevailing moral beliefs among stakeholders. These three strategies are ways of trying to avoid moral responsibility. This might not be possible to accomplish and then explaining is the last resort for normalizing. This means to explain the incident in such a way that the current worldview is preserved (Suchman, 1995).

To restructure is a completely different approach and assumes that a corporation takes moral responsibility for the disruptive incident. To invite is to look for monitoring measures. This could be to ask for governmental legislation. This may not in itself regain legitimacy but is a symbol for the organisations willingness to take measures to make sure that the same type of incident not will happen in the future. To replace is maybe one of the more commonly deployed strategies. Usually it takes the shape of replacing someone in management, a scapegoat. The replacement of this person or persons serves to assure stakeholders that the corporation has solved the problem (Suchman, 1995). Replacement might also be replacing organisations in the supply chain, as was the case in the horsemeat scandal.

No matter what road of maintaining or regaining legitimacy a corporation chooses it all has to do with establishing trust. In any relationship trust is a basic fundament if the relationship should last and be considered legitimate by both parties (Groza *et al.*, 2011). One way of building trust is to communicate or engage in dialogue with different stakeholders. If CSR is not communicated it could be argued that legitimacy and trust is much more difficult to build for a corporation and at the same time it should be stated that communicating CSR is not the same thing as Public Relations (PR).

3.4 Communication of Corporate Social Responsibility

Since CSR is becoming more and more important to firms (Palazzo and Scherer, 2006, Wagner *et al.*, 2009, Frostenson *et al.*, 2012) so has communication of CSR, both internally and externally (Marais, 2012). According

to Hung (2011) it is especially communication from CEO's that is most important since this influences all future strategic choices in a firm.

Communication in CSR can be done in order to influence corporate legitimacy in the eyes of a group of identified stakeholders (Marais, 2012). Since the most recent financial crises in 2008 there has been a growing demand that the state should enforce stronger legislation on corporation. According to a survey conducted by Garin-Hart-Yang Research Group in 2008 and cited in Kemper and Martin (2010) more than 60% of the American public saw stricter enforcement and stronger regulations, especially in the financial sector, as the best way to recover from the economic crises. This might in turn put pressure at corporations CSR activities in the sense that they might not be considered enough in the public eye. This would be a hard blow, especially against instrumental CSR but also against other CSR theories. One way to counter-act this from a corporate perspective could be to back up any CSR involvement with ethical, normative arguments.

When corporations are questioned and criticised for being involved in financial fraud and environmental scandals it is not only their reputation that gets damaged, it is corporations role in society that is brought to question and thereby the legitimacy for a corporation to operate (Palazzo and Scherer, 2006). Therefore corporations might strive in their communications to regaining legitimacy since this is the bedrock for sound businesses and to get opportunities to expand as a firm. Legitimacy has been questioned on moral grounds, as in the case of the financial sector recently (Kemper and Martin, 2010), but also in the cases of fraud and withholding of information (e.g. Enron).

In a Swedish context CSR came late and therefore also communication on CSR. This had to do with what is called the Swedish Model that stated that companies should generate economic return that, through taxes, would be used in the public sector. This was the sector that should provide what was needed in terms of social care and welfare (Arvidsson, 2010). It can therefore be assumed that communication has been less developed in a Swedish context compared to other countries, e.g. the United States. This Swedish Model might also affect stakeholder interpretation of CSR communication from corporations. CSR communication might be of less importance for stakeholders since the main source for providing social security is the state, not a number of companies. This might as well make stakeholders in a Swedish context more interested in pragmatic or cognitive legitimacy. Still Sweden and Swedes are part of the ongoing globalisation and distrust towards companies that is part of this. Therefore moral legitimacy is equally important in Swedish business life as any place.

Communication in CSR can be divided into two main approaches in relation to achieving legitimacy, according to Arvidsson (2010). The reactive approach is CSR communication from a firm in reaction to an event, a scandal or some kind of crises. The proactive approach is an approach where CSR communication is used in order to prevent corporate legitimacy to be questioned. In this research CEO statements and sustainability policies were considered to be part of a proactive approach since they are part of a communication that is not directed towards a special event or crises.

3.5 Conceptual framework

Castello and Lozano (2011) and their classification of different rhetoric themes have served as the main conceptual framework in the analysis of the empirical data. Table 2 gives a brief overview of the themes they identified and a short explanation for each category. Two categories present in Castello and Lozano's (2011) material was not at all present in the empirical material and these were categories called "governance", belonging to strategic rhetoric, and "citizenship", belonging to dialectic rhetoric. Since they were not present in the empirical material they were not included in table 2.

The categories in table 2 were used by Castello and Lozano (2011) in order to do a rhetoric analysis. In this study they were used as tool in a content analysis in order to identify themes. Since Arvidsson (2010) states that Sweden started late with CSR and CSR communication themes may not be apparent or other themes not included in this study may be apparent. It is argued though, that since food retail operates on a global market, global tendencies in CSR communication should be of importance for this business.

It was considered that Castello and Lozano's (2011) identification of themes in CEO statement would serve as a useful tool in analysing CEO statements within Swedish food retail since it could help identify legitimacy claims made by firms. Also it was assumed that different stakeholder pressures might be expressed via CEO statement and sustainability policies, since this might be a forum where corporation would want to show that they are addressing the same issues as them they are pressured to address. Therefore an analysis using Castello and Lozano's classification might produce valuable insight into this area.

Table 2. This table shows the different categories that were used during the content analysis of the documents in this study. It displays the three main rhetoric categories; strategic, institutional and dialectic. Under each rhetoric strategy there are a number of categories or rhetoric themes that belong to that specific rhetoric strategy. Each theme has a short explanation in order to make it clear what kind of statements that would qualify into what category. The table is adapted from Castello and Lozano (2011)

Strategic		Institutional		Dialectic	
Category	Explanation	Category	Explanation	Category	Explanation
Operationalisation	<i>Embeddedness of CSR, development of new capabilities.</i>			Global standards	<i>Certifiable or non-certifiable standards, reporting</i>
		Stakeholder dialogue	<i>Communication with the stakeholders coming from the firm.</i>		
Reputation	<i>Any mention of reputation</i>			Global agenda	<i>Mention of issues dealt with by global institutions like UN.</i>
		CSR	<i>Voluntary integration of social and environmental issues.</i>		
Innovation	<i>CSR or stakeholder engagement leading to new products/processes..</i>			Focus on the issue	<i>Corporate communication refers to social/ environmental issues.</i>
		Philanthropy	<i>Voluntary donations and solidarity activities.</i>		
Strategic link	<i>Communicating a relation between CSR or sustainability activities and the strategy of the firm.</i>			Inclusivity	<i>Activities towards disfavoured, non-profit or non-economic stakeholders, stakeholders rights.</i>
		Sustainability	<i>Actions to balance the human needs with protection of the environment.</i>		
				Social contribution	<i>Contributions to social improvement, positive change.</i>
				Accountability	<i>Actions to increase transparency and level of accountability.</i>

This framework can be visualised as in figure 8 below. Since there are three types of legitimacy, it is reasonable to assume that all three will be addressed in corporate communication. Therefore the extent to how this was done and what type was given most attention was an important aspect where the themes from Castello and Lozano (2011) proved helpful.

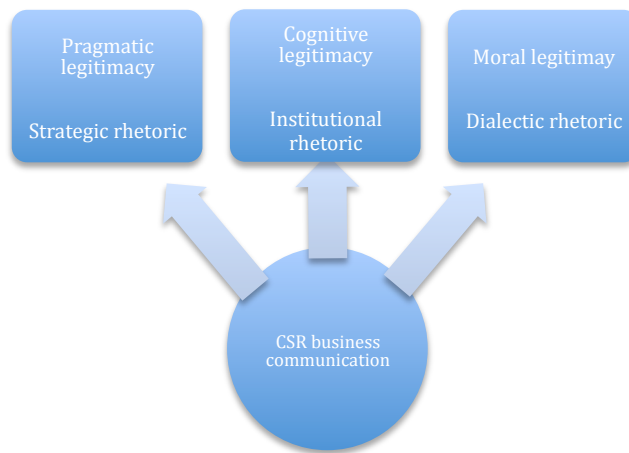


Fig. 8. Depicts how corporate CSR communication using different kind of rhetoric will be able to achieve different kinds of legitimacy. A corporation can, and usually do, use several or all types of rhetoric's (figure of own design).

This picture also shows how the connection between rhetoric and legitimacy was understood. Strategic rhetoric is directed towards pragmatic legitimacy and can thereby be considered to be a strategy that lets a corporation be able to manage it as a resource (Castello and Lozano, 2011). The institutional rhetoric aims at cognitive legitimacy and can be described as a process of corporate adaptation to societal expectations. In that sense it is more of a reactive process and thereby legitimacy becomes less possible to manage for a corporation (Suchman, 1995). Dialectic rhetoric's are directed towards moral legitimacy. In order to gain this type of legitimacy a corporation must engage in dialogue with new sets of stakeholders. This is seen as a necessary step for corporations to take in order to be able to meet and comply with new sustainability expectations from these stakeholders Castello and Lozano (2011).

The figure does not imply that any one corporation ought to strive for one of these types of legitimacies only. It might well be the case that a corporation strives for all three kinds of legitimacy since this might provide legitimacy for different parts of a company. Food retail might apply a strategic rhetoric in cases of technical innovations regarding storage and cooling and use a dialectic rhetoric to comply with moral demands on issues such as labour welfare (inclusivity) and to become more transparent (accountability) when dealing with by what and where food is produced. Following Palazzo and Scherer (2006) this might in the end be an approach that are of utmost importance for corporations, since moral legitimacy is needed in a world where trust in corporate morale is declining. For this reason moral legitimacy and dialectic rhetoric is at the centre for this study.

4 Background for the empirical study

This chapter describes the background of the empirical study. It gives a description of how the corporations in this study use their web pages. It also gives a background to why communication is important in building trust and legitimacy. Further it explains the United Nations Global Compact and the use of it as a code of ethics in the corporations.

4.1 Communication on web pages

Corporate communication was a focal point for this study, since corporate communication of CSR was viewed as an attempt to invoke a positive perception of the firm from consumers (Groza *et al.*, 2011). In Sweden 93% of the population between 16 and 74 years old had access to the Internet in 2011 (SCB, 2012). This is one indication to support the importance of Internet communication from corporations. At the same time the Internet has also provided a lot of opportunities for stakeholders to put pressure on corporations since spreading of information moves fast with this media (Palazzo and Scherer, 2006). This is another reason for why it could be considered important for a corporation to be an active communication agent on the web. The content and information on their own web pages are at a corporation's disposal to affect and persuade customers of the firm's good behaviour. In order to do this it might be crucial how the web page is organized and to whom it communicates.

The three corporations in this study had very different strategies in how they use the web as a source for communication to the consumers and other interested in their activities. ICA has a page that focused almost solely on recipes and some special offers to costumers. It was not very clear where one should navigate to find information about sustainability work and the ethics governing ICA's business.

Coop had more or less the same focus as ICA with a lot of links to different recipes and advertisement for different special offers. The structure of the webpage was very much like ICA with a headline named "Our responsibility". From here information in regard to environment and social responsibility was presented under a number of sub-headings. No policy could be found here.

Axfood has a completely different approach in using the web for communication than the other two companies. There were no links to recipes or special offers at the start page. Instead it was clearly structured with a link called "Sustainability" at the very top. The page gave the impression of being more directed towards communication to investors. They have also won prizes for best Investor Relations web page. For Axfood it is not so much customers in the stores that are in focus for the web-based communication, as it is other stakeholders.

As Groza *et al.* (2011) showed, the source of the communication might have an impact on consumer's perception of the firm. Previously, there has not been much research attention paid to this issue, but their study concludes that the source can affect how customers view CSR activities of a firm and that companies should release internal communication as a proactive approach to CSR and company behaviour. When Groza *et al.* (2011) conclusion was applied to ICA and Coop it seems as if they do not take full advantage of communicating CSR in this media. Axfood was considered to provide a much more detailed and easier accessible material in terms of CSR and sustainable development activities.

Since there is such a high level of complexity within food supply chain it might be imperative for food retailers to communicate their CSR policies and strategies since this is a way of building trust and thereby legitimacy (Pivato *et al.*, 2007). Trust is crucial in food retail but it is threatened by an apparent information asymmetry e.g. a consumer has to trust food retailers when they say that a carrot is organically produced. It is very hard for a consumer to verify this through own investigations (Pivato *et al.*, 2007). This is why communication is such a crucial factor, since this is a corporate strategy to build trust and Pivato *et al.* (2007) concludes that the more a company develops a broad set of CSR policies and the more efficient and accurate it communicates this to stakeholders the higher is the customer rewarding these actions by adopting specific behaviour, behaviour that are desirable from a corporate perspective

4.2 United Nations Global Compact

One policy that was a common feature for all three companies in this study was the adherence to the United Nations Global Compact (UNGC) and the standard of the Global Reporting Initiative (GRI). To subscribe to such initiatives as these is a way of increasing legitimacy and trust as they serve as third-party agents in relation

to corporate actions (Pivato *et al.*, 2007). The GC can be viewed as a CSR theory and as such, a value-driven theory based in a conceptualisation of human rights (Garriga and Melé, 2004). Since the companies use UNGC it can then be expected that they communicate normative and ethical issues in order to be consistent with the CSR theory they use.

The UNGC has over 10 000 business participants and stakeholders in over 130 countries around the world (UNGC, 2013). It has become the largest voluntary initiative in the world. When a corporation participate in this initiative it subscribes to follow the ten principles that the compact consist of. These principles regard issues of human rights, labour, environment and anti-corruption (UNGC, 2013).

Stevens (2009) argue that a code of ethics, which the UNGC can be seen as, can be a core strategic document in corporate operations or just plain window dressing, a way to sound more ethical than a company really is. Usually a code of ethics is intended to affect employee behaviour and therefore has to be rather specific (Stevens, 2009). The UNGC is not a specific code that can guide each employee's behaviour but is rather intended to affect corporate behaviour in the sense that it is intended to affect the corporate strategy into a more ethical responsible way (UNGC, 2013).

It can be argued that the UNGC belongs to what Stohl *et al.* (2009) call third generation ethics. This is an ethical understanding that goes beyond profit motives and the local environment. One of the big ethical questions in this respect is food waste. Around 30% of all food produced globally is wasted (IMECHE, 2013). In developed countries it is not transportation and storage that is the biggest problem, at least not from an ethical perspective. It is the waste due to cosmetic reasons or excessive buying offers like "buy three, pay for two". It is in the most developed countries that food waste has the highest quantity at the end of the value chain, which is, in store and homes (IMECHE, 2013). Since the UNGC has as the eight principle that businesses shall promote greater environmental responsibility, the application and understanding of this in communication is interesting.

5 Results

This section describes the results of the content analysis of the documents from the corporations. First is a background of the companies about their main strategy and values as they are communicated on their websites. Thereafter the results are presented.

5.1 Background to the organisations

This section describes the different corporations and portrays some similarities and differences in ownership structures.

This description is based on what the companies communicate through their web pages, therefore it can be said to be a strategic communication in order to provide a specific image of the companies. What this image is and how it might affect legitimacy and CSR will be analysed and discussed later on in this study.

Using web pages as a resource also presents some limitations. The structure of the different pages is very diverse and what each company communicates also varies. This makes it to a certain extent hard to find equivalent information for all three corporations. The varying ownership structures also add complexity when it comes to where and what kind of information that is available on the web pages. Still it was considered important to use web pages as a sole source, since the communicative aspect is important in this study.

5.1.1 Axfood

Axfood is the youngest of the three companies in this study. It was formed in 2000 by the merge between Hemköp and D&D Dagligvaror and the purchase of Spar Inn Snabbköp, Spar Sverige and Spar Finland. The company is constructed with Axfood as the “mother company” and four sub-holdings; Willys, Hemköp, Axfood Närlivs and Dagab. Spar Finland was sold in 2006 and since Axfood has been operating solely on the Swedish market (Axfood historia, n.d.). The two main shareholders are Axel Johnson Group and Norwegian Reitan Group. The former holds 50,1 % of total shares and the latter holds 15,6 % (Axfood ägare, 2013). Of the three companies in this study Axfood is privately owned and has full ownership of the main proportion of the retail stores even though there is a small portion privately owned stores and also some that are franchises (Axfood verksamhet, 2013). Net revenue was 36 306 million SEK (Axfood årsredovisning 2012, 2013). Number of employed is around 7200 (Om Axfood, n.d.). This makes Axfood a corporation of the same size as Coop.

5.1.2 Coop

Coop is, as the name imply, a cooperative corporation. It has its roots in the cooperative movement starting in Britain during the 19:th century. Coop, or rather Kooperativ Förbundet (KF) was formed 1899, this making it the oldest corporation within food retail still present in Sweden (KF bildas, n.d.). It was formed in order to safeguard consumer interest and consisted of different cooperatives from all over the country (KF bildas, n.d.). Presently there are around three million members in different cooperatives around Sweden and these cooperatives in turn own KF that has the mission to provide economic utility and at the same time facilitate the possibility for members to consume in a way that contributes to a sustainable development for both man and environment (Coop konsumentföreningarna, n.d.). Coop is a part of the KF Group that consists of a few other companies as well.

Compared to Axfood KF has a larger variety of business interest. Where Axfood is solely focused on food retail KF has food retail as one part of a much larger business structure that includes printed media, book stores, fitness equipment and more. Food retail is however the core business

Coop is the food retail business within KF and had around 7300 employees in 2012 (Coop medarbetare, n.d.). Net revenue was for Coop minus 698 million SEK (KF verksamhetsredovisning 2012, 2013, p. 23). Total net revenue for KF was 37 851 million SEK (KF verksamhetsredovisning 2012, 2013, p. 4).

5.1.3 ICA

ICA has its roots in different private food retailers established in Sweden around the turn of the 20:th century. As a more centralized organisation it started as ICA förbundet 1939 and was an alternative to the cooperation. A fully centralized organisation was not formed until 1972 when a more uniform organisation model was established (Fagerfjäll, n.d.). Today ICA is structured as a joint venture company, with two main shareholders, Hakon Invest and the Dutch company Royal Ahold NV. In February 2013 was announced that Hakon Invest was

to become sole owner by purchasing all shares from Royal Ahold. ICA and Hakon Invest will then form one corporation – the ICA Group (Grefberg, 2013.).

More than 20 000 are employed at ICA (ICA årsredovisning 2012, 2013). This figure then covers ICA's operations in Sweden and abroad. Employed in Sweden only is harder to get any number on. In the annual report for 2012 it says 8199 (ICA årsredovisning 2012, 2013) but included in this are not those employed at the food stores and supermarkets. Since ICA supports 1330 stores the number of employees should be considerably higher (ICA Sverige, n.d.) Net revenue was 65 750 million SEK for 2012 (ICA Sverige, n.d.) which by far makes ICA the biggest player on the Swedish food retail market.

5.2 Business strategy and values

This section describes the strategies and values that were communicated through each corporation's web page. Described here are some similarities and differences that might affect the result.

5.2.1 Axfood

Axfood has put efforts in developing a variety of their own brands. 25 % of all items are from their own brands and this concept is part of the strategy to be the most profitable food retailer on the Swedish market (Axfood egna märkesvaror, 2013). Axfood has a business strategy that consists of five areas. Profitability is the one mentioned first and has as goal to increase retail of own brands and to secure lowest purchase price from producers. Next strategic goal is growth. Communicated here is the importance to increase the rate of new establishment in growing regions and the larger cities as well as growth in e-commerce and ready-made dinner solutions. The third strategy concerns customer orientation. Here an increased level of innovation in product development for important categories and increased customer loyalty by developing loyalty programs are two aspects. The fourth strategy concerns environment and social responsibility. Decreasing the negative climate effects and decreased energy consumption are mentioned here as well as increasing social inspections in the different supply chains. Lastly Axfood talks about employees and business organisation and focuses mainly on management, recruitment and business acumen. To establish a more customer focused organisation is also an important strategy (Axfood strategi, 2013).

5.2.2 Coop

Coop has no publicly accessible business strategy. This probably has to do with the structure of the company and the fact that it is a corporation owned by the members through KF and therefore the closest or most easily comparable with what the other companies communicate is what is called KF's responsibility (KF ansvar, n.d.). Here KF list four areas which then can be interpreted as the most important areas when it comes to how KF does business. These values can then be assumed to be valid for Coop with reference to ownership structure. Hence they will be referred to as Coop's responsibilities. Interestingly these areas all concern sustainable development. There are no other areas e.g. concerning growth as a corporation or to be profitable that get mentioned on the web pages.

Coop has the responsibility to set standards that suppliers and partners must adhere to. How these demands or specifications are followed is checked by third-party revisions or internal revisions. Secondly it is considered to be an obligation of Coop to take responsibility for the impact on the environment that their business has. This is done by actively working to decrease the direct impact on the environment and by being a good employer. Thirdly, it is Coops responsibility to facilitate a sustainable consumption. This is achieved by supplying products, services and information that supports sustainability in relation to members and customers. Lastly, Coop has a responsibility in society. This is realized through active dialogue with stakeholders concerning sustainable development in business and in society at large. Prioritized stakeholders are the members (KF ansvar, n.d.).

5.2.3 ICA

ICA states some of the core values in what is called ICAs Good Business (ICA's Goda Affärer, n.d.). ICAs Good Business and policies connected to this do, since 2004, apply to all branches in the ICA corporation (ICA's Goda Affärer, n.d.). These good businesses are a way of incorporating sustainability work into the business model and stating that these values are guiding the way in which ICA does business. Therefore they can be seen as a business strategy, at least it is communicated in that sense.

These values rest on three core principles, transparency, credibility and traceability. Transparency means that stakeholders should have insight into ICAs sustainability work. To be credible is in ICA to constantly consider their responsibility and to communicate both weaknesses and strengths. ICA should know where the products they sell come from and the conditions under which they are produced and this is traceability. From these three core values seven principles are derived that shall govern business strategy (ICA's Goda Affärer, n.d.).

Firstly, ICA should operate with profit and sound ethics. The second principle is to listen to costumers and always focus on their needs. Furthermore it is important to safeguard diversity and development among employees. There should also be an open dialogue, both internally as well as externally. The fifth principle is to secure quality and safe products. A more educational principle is to facilitate health and sound eating habits. Finally ICA should act for a good environment and a sustainable development (ICA's Goda Affärer, n.d.).

5.3 CEO statements

When looking at the result this was done with the conceptual framework of Castello and Lozano (2011) and the themes they had identified in their research. One of the main research questions in this thesis was whether communication in a firm was consistent or not. One way to look at this consistence was to compare CEO statements and sustainability report. It has been argued that in order for a firm to do sustainable business, sustainability policies have to be embedded into the business strategy. CEO statements are used as one important way to communicate a firm's business strategy (Castello and Lozano, 2011) and therefore these two types of document might provide a good insight into how well sustainability issues are incorporated into the business strategy.

To get a hint of the general tone of each statement a short excerpt, deemed as typical in tone and topic, was selected. They are presented as follows:

Axfood's statement is the most openly financial in approach. It deals almost only solely with economic factors which the following opening lines of the statement shows.

Det är med glädje jag summerar 2012 som ännu ett bra år med fortsatt stabil vinst och försäljningsutveckling. Samtliga enheter har återigen bidragit genom stort engagemang och hög effektivitet. Men vår positiva utveckling hade inte varit möjlig utan nöjda kunder och det är därför extra glädjande att så många visat oss förtroende och uppskattning (Axfood CEO Anders Strålman in Axfood årsredovisning 2012, 2013, p. 2).

This statement deals with growth and addresses mainly shareholders and investors. This might be explained by the business structure. Axfood is a company that is relatively small compared to ICA, but it is as ICA owned privately by a number of investors. It might therefore be crucial for the CEO to show in the statement that business has been good and that the company is able to give a high return on shares.

Coop is the company that is most different in ownership structure compared to the other two, this since it is a cooperative and therefore owned by all members. This is also apparent in the opening words from the CEO.

2012 var ett händelserikt, intensivt och utmanande år för KF. Under senare delen av 2011 antog ledning och styrelse en strategiplan för hur koncernen ska vända förlust till hållbar vinst. Ett stort arbete lades ner på att solitt förankra den hos alla våra intressenter för att säkra ett kraftfullt genomförande (Coop CEO Frank Fiskers in KF verksamhetsredovisning 2012, 2013).

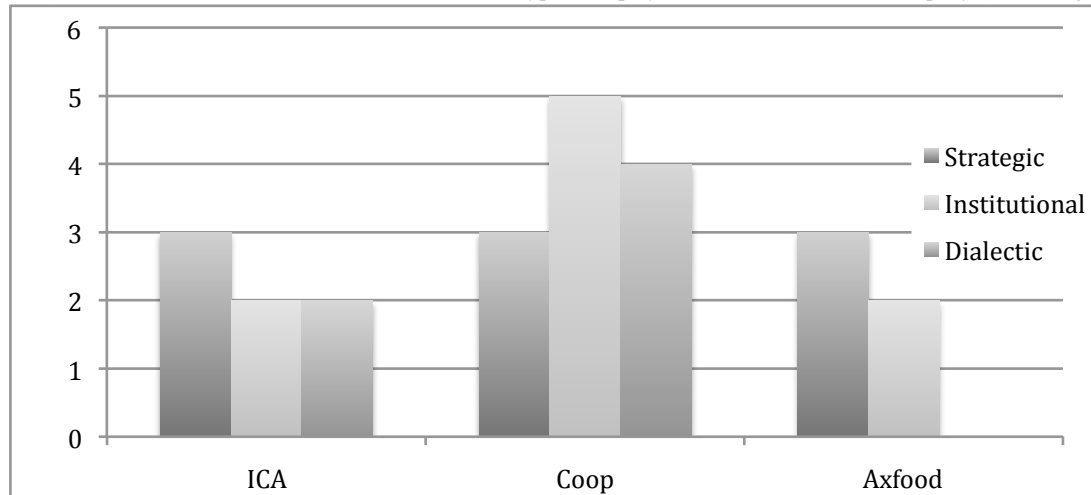
This is the only statement that states that there are a number of different stakeholders that is being addressed by the firm. It is further a statement that focuses more on sustainability issues than on financial issues. This might reflect the ownership structure and the objective of the firm.

ICA is a company owned by a number of shareholders, fewer than Axfood though. But ICA is also a franchising which might give it a more complicated organisational structure and this might also affect the CEO statement.

Det är också glädjande att snart ett år senare kunna konstatera att 2012 blev ännu ett framgångsrikt år för ICA, trots den ekonomiska oron i omvärlden. Sammanlagt ökade ICA-koncernen nettoomsättningen till 96 863 MSEK (ICA CEO Per Strömberg in ICA årsredovisning 2012, 2013). This is a statement that focuses on the financial development of the firm. It also focuses on growth. This might be the case since ICA is the largest retailer on the food market and was doing financially well during 2012. It is a bit ambiguous when it comes to whom the statement is directed to. There are very few references to stakeholders and therefore it was considered that this statement mainly is addressed towards shareholders and investors.

There were not big differences in number of references from the three CEO's in their statements in relation to strategic, institutional and dialectic rhetoric. Table 3 shows the number of references from the different CEO's that were made in the statement. The table is divided by company and for each company there are staples showing number of references made in the statement to a specific rhetoric type.

Table 3. Shows the outcome of the content analysis of the CEO statements based on the themes from Castello and Lozano (2011). Actual number of statements for each rhetoric type is displayed in the table for each company (own design).



This table depicts the number of references made to the three varying rhetoric, when Castello and Lozano's (2011) typology, presented in table 2, was used, presented on p. 19. There are mainly two things standing out in this table. Firstly, that there are no references to dialectic rhetoric's from the CEO of Axfood. Secondly, that Coop has a few more references in total and this might indicate that Coop's CEO had an overall approach of communicating legitimacy.

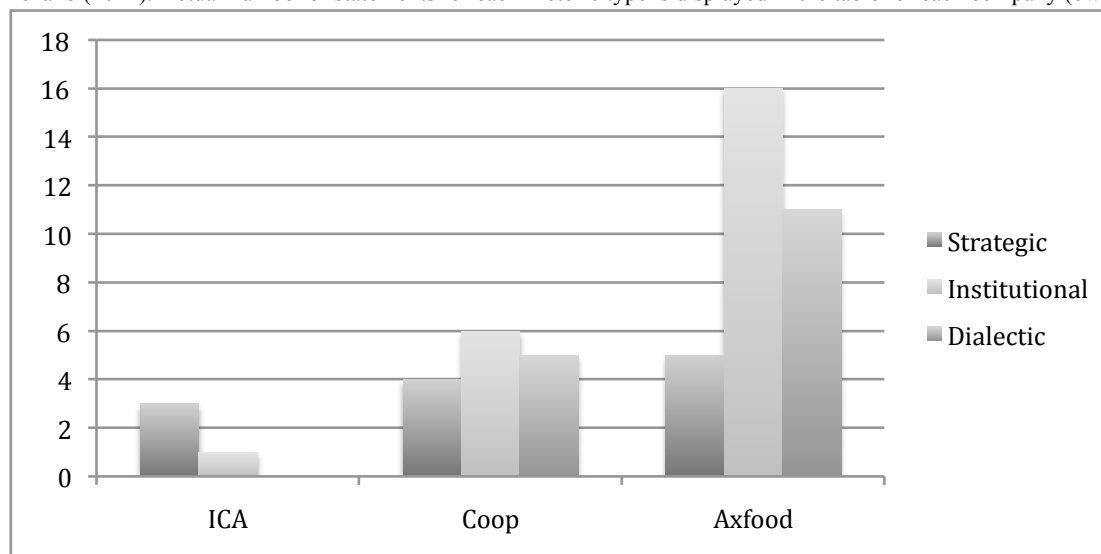
Looking at dialectic rhetoric shows that ICA referred to accountability and global standard. They do this with references to UNGC and stating that they have increased transparency by becoming the first retail company with externally reviewed quarterly sustainability reports. Coop referred to global standard, inclusivity and focus on the issue. The last one is an overall impression of the statement and Coop is the only one considered to have this focus. This category was not identified as a single statement, but was identified if a large part of the statement concerned issues at the core of business operations impact on social and environmental issues. When identified here it showed that Coop put a lot of focus into the area of sustainable development and this was not apparent in the other two statements.

What also deserves noting was that all corporations had some references to institutional rhetoric. This type of rhetoric was understood as promoting cognitive legitimacy. There were references to strategic rhetoric as well and this was understood as referring to pragmatic legitimacy. This might indicate that the corporations still focuses on the two types of legitimacy that has been predominant according to Palazzo and Scherer (2006).

5.4 Sustainability policies

Moving into the results from the sustainability policies gives a different picture than the CEO statements. Figure 11 clarifies this and this diagram is built in the same way as the previous one. There are staples for each company showing the number of references made to a specific type of rhetoric. It was considered that the theme "focus on the issue" was not relevant in relation to sustainability policies since the whole purpose of these policies are to focus on the issue of sustainable development. Therefore it would not make sense to look at this in this section.

Table 4. Shows the outcome of the content analysis of the sustainability policies based on the themes from Castello and Lozano (2011). Actual number of statements for each rhetoric type is displayed in the table for each company (own design).



The most interesting thing here is that Axfood has more than double the amount of references compared to the other two corporations. Even more interesting is that Axfood also has much more references within institutional and dialectic rhetoric. These two types of rhetoric refer to cognitive and moral legitimacy.

ICA is also outstanding with very few references. This might be explained by the fact that ICA also has the shortest policy and a policy that is called “Policy for quality, environment and social responsibility” (ICA policy för kvalitet, miljö och socialt ansvar, 2011). It consists of less than one page as compared to Axfood that has a little more than four pages.

When going into more detail concerning dialectic rhetoric Axfood refers to global agenda, global standards, accountability and inclusivity. Main part of the references was towards global standards and global agenda. This was shown in statements talking about ISO 14001, but also when Axfoods code of conduct was mentioned saying: “*Axfoods uppförandekod tydliggör för våra leverantörer vad vi förväntar oss framför allt inom det sociala området*” (Axfoods code of conduct clarifies for our suppliers what we expect, especially within the social area) (Axfood hållbarhetsprogram, 2012). Axfood was the only company that communicated their code of conduct at their web page. Axfood also has measurable goals set for sustainable development within the firm. One example was the certification of palm oil production: “*Den palmolja som ingår i Garants produkter skall vara certifierad till 2015*” (Palm oil in Garant products shall be certified by 2015) (Axfood hållbarhetsprogram, 2012). It does not say what kind of certification, just that it shall be.

Coop had a slightly different focus in dialectic rhetoric. Here the focus was mainly on inclusivity, apparent in statements concerning opinion-making and safeguarding development of diversity and equality. One example: “*Vara en aktiv opinionsbildare som driver på utvecklingen rent konkret mot en mer hållbar konsumtion och dagligvaruhandel tillsammans med medlemmar och övriga intressenter*” (Be an active opinion maker that drives the development concretely towards a more sustainable consumption and retail business in cooperation with members and other stakeholders) (Coop policy för hållbar utveckling, 2012).

ICA had no mentioning of dialectic rhetoric themes. They stayed mainly within the strategic type, making statements concerning reputation, innovation and operationalisation.

To summarize, table 5 gives an overview of which categories were used. It gives an overview of the main findings when performing the content analysis on the CEO statements and the sustainability policies. Of special interest are the high discrepancies between rhetoric used in policies compared to CEO statements.

Table 5. This table shows how often a category was used in corporate communication for each company. A is Axfood, C is Coop and I is ICA. Under each rhetoric strategy the categories are listed. Each category is divided into sustainability policy (the numbers on top in each category) and CEO statements (the number at the bottom of each category). E.g. Axfood had 7 references to “Global standards” in their sustainability report, but zero references in their CEO statement (first category in dialectic rhetoric’s).

Strategic				Institutional				Dialectic			
Category	A	C	I	Category	A	C	I	Category	A	C	I
Operation.	.2	0	1					Global standards	7	1	0
	2	0	1						0	2	1
				Stakeholder dialogue	0	1	1				
					1	3	2				
Reputation	1	1	1					Global agenda	2	0	0
	1	1	1						0	0	0
				CSR	1	1	0				
					0	0	0				
Innovation	2	0	1					Focus on the issue			
	2	2	0								
				Philanthropy	0	0	0				
					0	1	0				
Strategic Link	0	0	0					Inclusivity	1	3	0
	0	3	1						0	1	0
				Sustainability	9	4	0				
					1	1	0				
								Social contribution	0	1	0
									0	0	0
								Accountability	1	0	0
									0	0	1

This table will be interpreted in the analysis, since it gives a picture of where focus is placed for each type of legitimacy and also whether or not the CEO statement support the policy.

5.5 United Nations Global Compact and the results

In this section the UN Global Compact (UNGC) will be put in relation to what the corporations in this study communicate in their CEO statements and policies. Of special interest here is not the operationalisation of the UNGC, but instead if the themes in UNGC is covered or mentioned at all in the documents. If they are mentioned or referred to then it is understood that the UNGC is an important code of ethics to communicate. It is interpreted as a lack of code of ethics in the communication towards stakeholders if this is missing.

An important aspect of UNGC is that it states that businesses can gain legitimacy through meeting societal needs and that society increasingly is expressing a need for sustainable practices (UNGC, 2013). Therefore UNGC is interpreted as a code of ethics that will assist corporations in attaining legitimacy.

5.5.1 CEO statements

Axfood CEO report gave very little reference to issues that are of concern in UNGC. There were in reality no explicit references at all. The one thing that was interpreted as a reference was the CEO statement of implementing environmentally friendly techniques, principle 9. This reference was a direct quotation from the sustainability policy. The CEO statement can therefore be said to lack almost completely communication about

UNGC, both explicit and implicit. Coop CEO statement on the other hand refers to UNGC both explicitly and implicitly. In this statement awareness was communicated on the importance to facilitate a sustainable consumption, principle 8, and also communicates some measurable goals in relation to the same principle. This statement also communicated goals that had not been met. Finally, ICA mentioned UNGC explicitly and also communicated that they were part of UNGC initiative “Caring for Climate”. In ICA’s CEO statement transparency and acting for societal development is considered important and this is in line with principles 8.

5.5.2 Sustainability policies

Coop was the firm that had most explicit references to UNGC. The document communicated awareness of supply chain issues and that sustainable development is an integrated part of the business strategy, in accordance with what UNGC advocates. The policy communicated things like avoidance of hazardous substances, to operate within biological limits and apply the precautionary principle, principle 7. The policy also communicates that Coop gives equal opportunity to employees and offer training in sustainability issues and act as a responsible societal actor, principle 6. ICA’s policy was very brief and stated that ICA shall meet current legislation, continuously implement new technique and has a social responsibility. It is so short that it is hard to see whether or not it refers to UNGC. The reference to new technology was understood as a reference to principle 9. ICA was the only corporation that did not refer in any document to the precautionary principle. Axfood on the other hand had a sustainability policy full of references, although it did not explicitly mention UNGC. What was communicated in the policy was a large extent of measurable goals in relation to transport and energy consumption that are in line with principle 8 of UNGC. But the policy also included more social goals, like training of employees and equal opportunities for all employed at Axfood, principle 6. The policy also argued that the work done in sustainability should be transparent for stakeholders and there are various groups identified as stakeholders. Furthermore the policy stated that a code of conduct is applied in supply chain management and that the precautionary principle should be applied in all operations of the firm and this is in line with principle 7. All in all the policy suggested a high degree of compliance with UNGC and the communication of the goals was clear and easily accessible even though there were no reference to UNGC in the actual text.

5.6 Horse meat scandal and communication

The horsemeat scandal came to public attention in mid-January when horse DNA was discovered in hamburgers in Great Britain and Ireland. On the 7:th of February the first traces of horse DNA were discovered in Sweden and on the 8:th all lasagne made by French producer Comigel were withdrawn from Axfood, Coop and ICA. This affected mainly a ready-made food producer, Findus, but also the corporations own brands since these were made at the same factory.

The following section will investigate how communication from the corporations has been handled and what kind of issues they are addressing. Materials analysed here consists of printed media articles and press releases from the corporations. Of special interest here is to see whether the firms made any efforts to identify legitimacy issues or not and if they made any references to their ethical codes.

5.6.1 Corporations own communication

All three firm’s communicated sparsely in relation to the horsemeat scandal. They issued three press releases each, but with different approaches in content (see appendix 1 for press releases). Axfood’s first press release stated that some products were recalled since they might contain horsemeat, the content is not analysed but as a precautionary action some products are recalled. The second press release stated that some products had been recalled due to actual content of horsemeat. This has been detected through Axfood’s own analysis. The final statement from Axfood told that the products that cannot be sold since they contain or might contain horsemeat are to be given to charity. An important communication, which was not included, is the blog that the head of sustainable development department, Åsa Domeij, has. In this blog she commented on the horsemeat scandal. It was assumed that a large group would read statements made here, especially those with an interest in sustainable development.

In Coop’s press releases there are references to procedures that Coop has implemented in regard to DNA-testing. It is stated that these tests will be increased. Coop’s press release differs from the others in that Coop apologises to customers for the incident. They emphasises that customer should feel safe when purchasing products at Coop and their final press release stated that DNA-tests had been implemented. Coop also refers concerned customers to the National Food Agency, Livsmedelsverket.

ICA stated in their two first press releases that there is no threat for consumer’s health by eating the products that had been incorrectly labelled. ICA regards the mislabelling as the most serious issue and stated in the second

press release that they implemented tests in regard to products sold under their own brand. The final press release described the various steps that ICA has taken during the horsemeat scandal. In this press release they are focusing on the various procedures they have taken in order to make sure that the content of a product corresponds to the labelling. They also declare that they continuously talk with the National Food Agency, Livsmedelsverket.

5.6.2 Statements in media from corporate officials

In this section material from printed news media was used. In order to get a sample that was possible to handle only the biggest news papers were included, Dagens Nyheter, Svenska Dagbladet, Göteborgs-Posten and also a news desk agency, Tidningarnas Telegrambyrå (TT).

As described earlier in the thesis there were around 1800 articles during February containing the word "hästkött". This does not mean 1800 unique articles; the main portion of them came from TT and was used in most of the printed news media. Even though they were not unique, this show the extent of attention the horsemeat scandal received in Sweden during February 2013.

Not all articles were analysed. To narrow it down even more, only articles that contained a direct quotation was included.

Mainly the quotations in articles concerned the actual handling of products. There were one article that focused more on reasons behind this scandal and where representatives from the firms answered some questions. This was in Dagens Nyheter on the 13:th of February. It contains an interview with representatives from all three companies where they answer three questions in relation to regaining trust, the issue of long supply chains and the corporations ability to exercise control in these supply chains (see appendix 2 for questions and answers).

The first question was: What do you do to regain trust after the meat scandal? Axfood points to improving purchase routines since this will increase knowledge (presumable within the company, but that is a bit unclear) of the supply chain and this knowledge will increase their trustworthiness. Coop refers to the fact that they taken away the products in question from their stores and they will increase tests on products and also secure documentation from suppliers how they test the products in their production. ICA says that they have good trust and that this issue just touches one product that has already been recalled and that it is not clear whether or not it actually contained horsemeat.

The second question asks how come a single product can have such a long supply chain. Coop refers to globalisation and the growth of a few producers that gets so big that it is not possible for them (the suppliers) to find locally produced raw material. Axfood says that they do not create those long chains but they have opinions about them. In the future they will change their demands on the supply chains. ICA says that some products are more appropriate to produce on the European continent and another reason is that ICA has such a large variety of products.

The final question asks if the corporations have the ability to control long supply chains. ICA says that they have an accepted, well-established system to check their suppliers. Coop says that the horsemeat scandal has showed that they need to increase check-up further down the supply chain and Axfood says that the whole food retail industry should strive towards shorter supply chains since the longer they are the harder it is to manage and control each supplier down the line.

6 Analysis of the results

This chapter evaluates the research questions described in chapter one using the theoretical framework and the results from the empirical study. The results will be analysed in relation to legitimacy and a special focus will be placed on the consistency between the different documents studied. The research questions from chapter one were as follows:

- Is communication of legitimacy consistent within corporations?
- What kind of legitimacy is presented in communication?
- Was United Nations Global Compact used to promote legitimacy?
- How was the horsemeat scandal handled in terms of legitimacy?

6.1 Consistency in communication

The main research question concerned whether or not communications coming from CEO statements and sustainability policies were consistent and supported one another. One way to analyse this was to look at the number of references made in the two documents. It then became clear that the policies contained a much higher number of references than did the CEO statements. Arvidsson (2010) stated that CSR work had a late establishment in Sweden and it is reasonable to assume that this would be reflected when two such different documents were compared. If CSR is a quite recent development within Swedish business life it is reasonable to assume that managers might not have adapted the ability to communicate CSR or it might as well be deemed more important to communicate financial performance.

Between the corporations there was a large difference in number of references given to any of Castello and Lozano's (2011) themes. ICA was by far the corporation with fewest references, all in all 11 while both Axfood and Coop had around 30 references each. This gave an indication whether or not arguments for legitimacy were important in communication. It was assumed that ICA had fewest for two reasons. Firstly, they are by far the largest food retailer on the Swedish market and might therefore consider their sheer size, which is built upon number of customers, as evidence that they are legitimate and do not need to communicate what everyone already knows. This builds on a cognitive legitimacy. Secondly, ICA's sustainability policy was very compact and there was not room for much of legitimacy communication.

It is not only the actual number of references that were of interest. Also the division between CEO statement and policy was considered to be important. According to Wagner *et al.* (2009) inconsistencies in communication of CSR might put a corporation at risk of being perceived as hypocritical. In their study it was not a comparison between documents from a firm that supported their findings, but comparison between communication and actual performance within the field of CSR. However, in this study it was internal consistency in communication of CSR that was studied and it is argued that discrepancies in this field also might indicate corporate hypocrisy. Since it has been stated earlier that a CEO serves as the most important focal figure of a corporation (Hung, 2011), it was also argued that a CEO sets much of the culture and the agenda for a company (Castello and Lozano, 2011). This interpretation might then indicate that the inconsistency between CEO statements and policies are due to that sustainable development and CSR activities are viewed as less important by CEOs and therefore this development might not be prioritized in everyday business life. It might also indicate that CSR and sustainable development has not made their way into the boardrooms of the companies.

The degree of inconsistency between CEO statement and sustainability policies might also indicate that a necessary move towards a more political CSR (Palazzo and Scherer, 2006) is not clearly on its way within Swedish food retail. The CEO statements lean more heavily towards a strategic or institutional rhetoric, which then might indicate a strive for pragmatic and cognitive legitimacy.

Further, there were uncertainties in respect to whom the CEO statement was directed. As Fisher (2009) showed, a corporation is put under pressure from a variety of stakeholders. Some, or at least the most important stakeholder pressure, might be wise to address in a CEO statement. In both ICA's and Axfood's CEO statements there was a leaning towards financial stakeholder, i.e. investors and shareholders. This might then indicate a quite traditional understanding of which stakeholders are most important or at least a more instrumental understanding of CSR. Palazzo and Scherer (2006) argue for the necessity of a move towards a political CSR and this is not at all visible in neither ICA's or Axfood's CEO statements. Coop's CEO statement did not differ to any large extent, but it was more focused toward a greater number of stakeholder groups. This might be explained by the fact that Coop is a cooperative and therefore has in the business structure consumers, employees and suppliers as a natural focus.

Suchman (1995) pointed to two different ways of maintaining legitimacy, one being perceiving and identifying societal change, the second one being protection and stockpiling legitimacy. Coop CEO statement and the focus on sustainability present there were interpreted as an indication of perceiving societal change. Sustainable development has gained a lot of attention during the last years and a focus on this issue shows that the CEO has identified this as an important theme and is addressing it. Axfoods CEO also talks about some changes, but only in relation to financial development of society. ICA identifies changing purchasing behaviour among customers and addresses this. Since the CEO statements in general lack the approach of addressing societal change this might indicate that they are not going into this type of maintaining legitimacy. Change is going faster and faster, as Palazzo and Scherer (2006) claims, this might then be a wise choice. It would be difficult to keep up with the process of change and thereby this path of maintaining legitimacy is at risk of becoming a reactive response where dialogue with stakeholders could be missed, and this dialogue is needed in order to achieve a moral legitimacy (Suchman, 1995).

The approach that seemed most apparent in both CEO statements and sustainability policies were an approach of protecting legitimacy. Suchman (1995) states that in this approach communication is a key factor when it comes to the ability to stockpile legitimacy. Coop's CEO statement is a good example of this where there were references to awards in sustainability that the firm had won. This was used in order to show that customers approved of Coop as a company. Also Axfood and ICA's CEO statement were going in this direction. ICA did this by referring to signing the UN Global Compact's call "Caring for climate" and Axfood did it by a reference to satisfied customers.

Stohl *et al.* (2009) showed that although third generation codes of ethics is being used in many corporations today, communication is still more oriented towards issues concerning profit and behaviour required by law. The UNGC was in this study viewed as a third generation code of ethics and all three corporations has signed it. Still the results showed an ambiguous communication. Generally the CEO statements contained more concern about profit and growth, rather than a collective approach to rights and development, which is an inherent feature with third generation ethics (Stohl *et al.*, 2009). In this sense Swedish food retail CEO's could not be seen as progressive. The only exception was Coop CEO that focused on some of the principles in the UNGC. It was mainly in Coop's policy and also in Axfood's policy that ethics of the third generation was most clearly communicated. Once again there were an apparent inconsistency in communications.

Furthermore, third generation ethics has a more collective stance than previous generations of ethics. It is the welfare of humankind that is in focus, not individual rights (Stohl *et al.*, 2009). This has a bearing on food waste, which previously been discussed as an ethical problem concerning food retail. This issue was not mentioned in any of the policies and only in Coops CEO statement and then as an example of charity that Coop does. It shall be stated though that there were some communication on this issue elsewhere in the corporation's web pages. But it is noteworthy that this issue that concern not only ethical issues, but resource use and thereby sustainable development as well, is so sparsely communicated in both statements and policies.

6.2 The horsemeat scandal and legitimacy

The results from the horsemeat scandal point to some different strategies in regaining legitimacy. As Suchman (1995) pointed out there are two paths to pursue in order to regain legitimacy. There is the path to normalize the event, in this case the horsemeat scandal. ICA was a corporation that most openly tried this. It is argued in this study that ICA used denial, not in the sense of denying the actual event, but in the sense of denying that the event presents a problem for the firm. Since the ICA official say that this just concerns one product and that they have trust in their suppliers it indicates this type of normalizing legitimacy. Coop applies instead a different strategy. They apologise to customers in their own communication, which is a way of saying that they have a moral responsibility for the occurred event. This then is applying a restructuring approach to legitimacy. They also state that they will increase their control of suppliers, which fits well with the restructuring path. Finally, Axfood is the corporation that was hardest to categorise in accordance with Suchman's (1995) theory of regaining legitimacy. It seems as Axfood is refraining from taking moral responsibility. One example of this was the statement that they did not create the long supply chains but they have opinions about them. They also use the same argument as Coop, that they will increase control of products and suppliers, which is the restructuring approach.

The horsemeat scandal is one example of when stakeholders can spread information through different mass-media channels very fast. It is an example of the fast pace that changes consumer's perceptions and therefore could render pragmatic and cognitive legitimacy hard to uphold for a corporation (Palazzo and Scherer, 2006).

7 Discussion

This final chapter looks back at the research questions from chapter one and discusses the conclusions that can be drawn from the results and analysis. It gives a conclusion towards the research questions. It also discusses further research questions where complete conclusions cannot be drawn.

The research questions described in the first chapter of this thesis are as follows:

- Is communication of legitimacy consistent within corporations?
- What kind of legitimacy is presented in communication?
- Was United Nations Global Compact used to promote legitimacy?
- How was the horsemeat scandal handled in terms of legitimacy?

7.1 Consistency in communicational efforts

As shown in the results and analysis there were a high degree of inconsistency in communicating legitimacy between CEO statements and sustainability policies. Palazzo and Scherer (2006) argue that moral legitimacy opens up corporate decision making to societal discourse. What was most apparent in the CEO reports, especially from ICA and Axfood, was the focus on growth and financial aspects. But there were a lack of discussion or statements in regard of a broader societal discourse. From the perspective of sustainable development, as it is understood in this study, the aspects of growth and economy are of outmost importance. Unfortunately in the CEO reports, there were no critical reflections about how growth and increased financial growth might affect sustainable development. As pointed out by Malik (2012) there are several problems with combining growth and sustainable development. Food production is dependent upon ecosystem services for pollination, providing clean water and such. The strongest changes in ecosystem are done through human activity, and at present these changes are mainly degrading the ecosystems. Therefore to show an awareness of this issue and communicate in a CEO statement the importance for food retail to work with this issue can be considered crucial. It was not expected that a CEO report should contain statements saying that the firm had to de-grow, but it was expected that there would be references to how the production of their most important goods, food, affect sustainability. The main focus when it came to sustainable development in CEO reports was instead a focus on technical solution and reduction of greenhouse gases (GHG) in relation to energy and transportation in Sweden. This is definitely a good step, but the main part of emissions on behalf of any of the firms are taking place in production, since agriculture are responsible for about 20% of all total GHG in the world (Woods *et al.*, 2010). As Hung (2011) stated, the CEO is the person that has a profound influence on strategy and image. The question is whether CEO's in Swedish food retail do not take their own impact seriously enough or if they are trained in a system that views the CEO as responsible for financial growth solely and that this is the language they are trained in.

In comparison the sustainability policies were to a higher extent paying attention to biological limitations, as Coop's policy or the precautionary principle, as Coop and Axfood's policies. This might then indicate an understanding of sustainable development more in line with how Daly (1996) portrays it with the importance to stay within boundaries of the Earth's carrying capacity. This inconsistency in views between CEO statements and sustainability policies can of course be due to that they might have different audiences in mind. The sustainability policy is more of an internal document, that should be applied into daily business operation, whereas CEO statements comes once a year and has to be more general in regard to what is said there. At the same time this might also be an indication that sustainability is not high on the agenda in the boardroom. Axfood is the clearest example here. In the CEO statement there were no references to dialectic rhetoric themes whereas the sustainability policy was considered to be best among the three studied. Such an inconsistency might be difficult to handle and might also hampers the process of implementing sustainable development practices.

7.2 Legitimacy in communication

The results also indicated that Swedish food retail has a more pragmatic and institutional approach towards legitimacy. When this is set in relation to CSR theories this implies a more instrumental view. Coop is the firm that to some extent was leaning towards a more political CSR. The business structure is a probable explanation for this. At the same time, food retail can be seen as a highly political business. Food production could involve degradation of e.g. mangrove forest (Rotter *et al.*, 2012) or, as in the case of palm oil production, degradation of tropical forest. These are issues being addressed by all three corporations and that might stem from dialogue with

stakeholder groups. ICA was the firm that mainly kept to strategic and institutional rhetoric. ICA was also considered to be the firm that was furthest away from a political CSR and probably the business structure could be an explanation to this. Since ICA is a franchise all stores in Sweden is privately owned and therefore it might be harder for ICA to apply a more political CSR, since this would involve taking a clear opinion in questions that might be considered open to different opinions. At the same time this would in the long term make it harder for ICA to gain moral legitimacy.

As Wagner *et al.* (2009) pointed out there have been several incidents when a company has claimed one thing in their communication but acted the opposite way in reality. Starbucks is one such company; McDonalds is another example (Wagner *et al.*, 2009). It was assumed that there were an actual risk that the companies in this study did this as well. There were very little information in CEO statements and sustainability reports about any shortcomings in relation to social and environmental goals, although there were some concerning economic goals. One conclusion from the analysis of the result was that it was sometimes hard to understand to what stakeholders the CEO statement was directed. It was assumed that CEO statements mainly were directed towards shareholders/investors. If this is the case then disclosure of unreach goals, apart from financial, may be considered not necessary. This would also be in line with CEO's being formed to keep to a financial discourse in their annual statements. What need to be taken into account from a CEO perspective is that, since CSR corporate communication has risen fast over the last decade, expectations that companies shall communicate not only success but also challenges and failures has risen (Frostenson *et al.*, 2012). Axfood's sustainability policy was an example where challenges and therefore possible failures were present. It was considered an important feature that this policy had some measurable goals. It is important that these goals, the success or failure in reaching them, are communicated, not only internally and on the sustainability section of the web page, but also in future CEO statements. This could then contribute to increase moral legitimacy, since this would render the corporation a high degree of accountability.

Furthermore it can be discussed whether the corporations in this study seek legitimacy as an instrumental value, i.e. in order to be more profitable or if they seek it because it is the right thing to do. Referring back to figure 3 (p.11) and the CSR landscape it was assumed that the corporations mainly stayed within an instrumental approach towards CSR. There was however indications that there might be a progress towards a more politically oriented CSR. Such an approach would entail cooperation within the food retail industry. What was stated was that all of the companies present in this study wanted to become leaders in sustainability. This would then require them to build strong coalitions with different stakeholders and to effect and enforce these coalitions. This last part was not strongly communicated and therefore it was supposed that this step remains to be taken.

7.3 UNGC and legitimacy

The UNGC was in this study found to be an ethical code that was present, either directly mentioned or indirectly referred to, in all corporations. The use of the UNGC was considered to be an opportunity to strive for third generation ethics as described by Stohl *et al.* (2009). This ethic was considered to strengthen moral legitimacy. But even though all corporations make use of the principles in the UNGC, it was not communicated in such a way as to provide a push towards moral legitimacy.

Looking at the use of UNGC made the discrepancies between the CEO statements and the policies more apparent. Axfood is the outstanding example here, where the CEO report was heavily focused on financial growth and very little towards environmental and the social area being non-existent. In Axfood's policy the UNGC was influential in regard to the issues dealt with in this document. Once again it can be said that Axfood would be able to gain a lot in terms of legitimacy, consistency in communication and sustainable development if the policy and the work done around this got the opportunity to be more influential in CEO statements in the future.

Looking at corporate communication it becomes problematic when different documents do not harmonise with each other. It was not possible to determine the expected audience for each document in the study. Possibly the CEO statement had an investor audience in mind, nevertheless and as pointed out before, a CEO statement is considered to be one of the more influential statements from a corporation (Marais, 2012) and therefore it should be considered crucial that this document is in line with ethical codes and other strategic documents.

7.4 Horsemeat and legitimacy

The horsemeat scandal case also provided some interesting results in regard of legitimacy. It was apparent that ICA refrained to address the issue of legitimacy in this case whereas Axfood and Coop identified the issue as an

event where legitimacy could be questioned. This might be an indication that still the corporations are relying on a cognitive and pragmatic legitimacy, especially ICA. It could be the case that it is more important for Coop and Axfood to pursue a moral legitimacy or a broader spectrum of legitimacy since they are so much smaller than ICA. Pursuing a moral legitimacy might then become a competitive advantage.

The sustainability policies from Axfood and Coop were both examples of policies where important issues in regard to sustainable development were identified. In Axfood's case the comparison between policy and CEO statement indicated that there has to be a lot more account of sustainability in the CEO statement in order for Axfood to gain moral legitimacy.

One of the most interesting results was the lack of mentioning food waste, both in policies and CEO statements. As Castello and Lozano (2011) have pointed out, a CEO statement is a very important document when it comes to legitimacy. Neglecting to point to one of the big issues of food retail might indicate that a corporation has failed to identify an issue that have both ethical as well as economic implications. This is viewed as neglecting the changing social environment where food production and the social and environmental effects it has is becoming the new target for stakeholder pressure (Stohl *et al.*, 2009). There might as well be legal bindings that hinder the companies to make use of the food that would be wasted in an ethically responsible way. This then points to the need for food retailer to move towards a more political CSR. Axfood overcame what could be considered as legal demands and took the decision to donate all packages containing horsemeat to charity. This might be seen as a response to stakeholder dialogue, since most customers were not concerned about the horsemeat *per se*, but the false labelling of the packages. As Palazzo and Scherer (2006) points out there is a need for corporations that wants to gain moral legitimacy to be engaged in discussions with stakeholders and to discuss current issues of concern for the corporation. Food waste could be considered to be vital for all food retailers and therefore a central part of their CEO statements and sustainability policies. In a more political CSR this might imply implementing different strategies to be able to sell more of the food that would otherwise be wasted, trying to change legislation that increases food waste by making it harder to give to charity, educating customers and increase awareness of the problem among staff.

Hartmann (2011) refers to studies that state that CSR activities that were deemed to be profit motivated lead to a negative impact on costumers trust. It is argued in this study that an inconsistent communication in regards to legitimacy will have much the same effect. This since stakeholders will perceive a communication that at times fails to address what is considered to be important issues and still, as in the case of some of the CEO reports, focuses on growth and shareholder benefits. It should at the same time be stated that what this study concerns is communication, not actual actions. It might be the case that all, or at least some of the corporations are doing more than they communicate. This could be the case if corporations consider the risk of being accused of doing good for the sake of profit.

8 Conclusions

The level of consistency found in corporate communication regarding legitimacy and sustainable development is not satisfactory. All three corporations have issues with a big gap between CEO reports and sustainability policies. This might provide a problem when it comes to handling crisis's like the horsemeat scandal. If a corporation is unfocused in what kind of legitimacy it is trying to achieve such a scandal may make it more difficult to handle such a situation. Coop that were the company with highest degree of consistency between CEO statement and sustainability policy handled this scandal in way that was consistent with the legitimacy it seemed to strive for.

There is a growing need for the food retailers in this study to start moving towards a more political view of CSR and make a move towards moral legitimacy. According to Stohl et al. (2009) the industries becoming targets for campaigns are food industry and pharmaceuticals. In order to handle such a growing pressure, moral legitimacy, engaging in dialogue, is crucial. Also a move towards a moral legitimacy would help food retail business to identify upcoming issues and to be a more active part in a changing social environment. Furthermore there is a need to coordinate actions in relation to food production in order to be able to impact and change the ways food is produced and the environmental and social issues concerning this. Rotter *et al.* (2012) demonstrated the need for this in the case of tiger shrimp retail. Axfood chose to exclude this product from stores, while both ICA and Coop chose to continue to sell, although trying to get some certification for the product. Viewed from a communicative perspective this comes down to Axfood taking a political CSR approach, while Coop and ICA seem to have a more instrumental view. A cooperative, political CSR approach might have put producers under more pressure and therefore might have contributed to faster change within this specific production.

Food retail is a global business even when a company is based solely in Sweden. This understanding is apparent in sustainability policies from Axfood and Coop. It was considered that the potential for those two corporations to become leaders in sustainability is very high, but this requires that the good work done in their sustainability departments becomes more visible in CEO statements and thereby enters the board room more profoundly than the findings in this study suggest.

The method that was used in this study helped providing insights into some communicative aspects of corporate legitimacy. It was helpful in giving structure to the analytical part of the study. The weakness of the method is that it is time-consuming. This is the reason why no more material could be included in this particular study. The method and therefore this study would also have gained if some more people, knowledgeable within the study area, had made an analysis of the material in order to strengthen the validity of the results. To apply the method of content analysis and move into rhetoric analysis can be used in further studies to increase understanding about corporate communication of sustainable development.

8.1 Suggestions for future research

The main contribution from this study is the description of communicative inconsistency when sustainability policies and CEO statements were compared. However, research with a longitudinal focus would contribute to the area of research since this will give the opportunity to explore changes over time and possibly relate these changes to varying stakeholder pressure, changes in the social environment and political and financial insecurities. The research area would also benefit from a study that could incorporate a larger extent of corporate communication. Such studies will be able to present a more comprehensive view on corporate communication.

To get more knowledge of how CEO's understand their role in the business might give insights that can provide explanations to the inconsistencies found through this study. This would also include research of how globalisation affects a Swedish understanding of CEO role in corporations with global impact such as the food industry.

Furthermore to investigate the relationship between people working with sustainability issues within firms and the connection and possible pressure from corporate economic objectives would possibly provide new understanding of challenges within food retail sustainability.

Finally, this study concerned corporate communication, what a company says it does. To combine this with a research focusing on measuring the concrete actions, as perceived by consumers and employees would be of great value when it comes to corporate legitimacy claims.

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Appendix

Appendix 1 Press releases

Axfood:

AXFOOD ÅTERKALLAR LASAGNE SOM MISSTÄNKES INNEHÅLLA HÄSTKÖTT 2013-02-08

Axfood återkallar lasagne av följande varumärken: Eldorado Lasagne Bolognese 1kg, Willys Lasagne Bolognese 400g samt Hemköp Lasagne Bolognese 400g.

Anledningen till återkallandet är det finns risk att produkten inte endast innehåller nötkött, som det står i innehållsförteckningen, utan även hästkött.

Produktprover har skickats till analys, men det finns inga analysresultat än som bekräftar att de innehåller hästkött. Däremot är det klart att företaget som producerar lasagnen har använt kött från samma slakteri som visat sig leverera hästkött till Findus nu återkallade lasagne.

Att äta den återkallade lasagnen innebär inte någon hälsofara. Det är dock viktigt att innehållet i en produkt överensstämmer med innehållsförteckningen. Många konsumenter känner dessutom obehag inför att äta hästkött.

Konsumenter som redan har köpt någon av de återkallade produkterna och nu vill lämna tillbaka den uppmanas kontakta Axfoods konsumentkontakt på konsument@axfood.se eller telefon 0771 - 87 67 70.

2013-02-27 18:23

AXFOOD ÅTERKALLAR ELDORADO OCH GARANT KÖTTBULLAR SOM KAN INNEHÅLLA HÄSTKÖTT

Axfood återkallar Eldorado frysta köttbullar 1000 g med bäst före-datum 12/2-2014 eller tidigare, Eldorado färska köttbullar 1000 g med bäst före-datum 8/3-2013 eller tidigare, Garant frysta köttbullar 600 g med bäst-före 12/2-2014 eller tidigare samt Garant färska köttbullar 350 g med bäst före-datum 8/3-2013 eller tidigare. Anledningen till återkallandet är att delar av partierna visat sig innehålla mellan en och fem procent hästkött.

Hästköttet har upptäckts vid Axfoods egen analys av produkten. Efter den 12 februari har kontrollen skärpts hos leverantören. Ett flertal test av köttbullar tillverkade efter detta datum har gjorts utan att hästkött påvisats.

Att äta de återkallade köttbullarna innebär inte någon hälsofara. Det är dock viktigt att innehållet i en produkt överensstämmer med innehållsförteckningen. Många konsumenter känner dessutom obehag inför att äta hästkött.

Konsumenter som redan har köpt någon av de återkallade produkterna och nu vill lämna tillbaka den uppmanas kontakta Axfoods konsumentkontakt på konsument@axfood.se eller telefon 0771 - 87 67 70.

2013-03-19 12:56

AXFOOD SKÄNKER STOPPAD LASAGNE TILL S:TA CLARA KYRKA

Den lasagne som Axfood stoppade för att den visade sig innehålla hästkött kommer att delas ut till behövande av S:ta Clara Kyrka i Stockholms city. Första sändningen lasagne kommer till kyrkan fredagen den 22 mars.

På Dagabs lager i Jordbro finns det ca 5 ton lasagne som inte kan säljas eftersom innehållsförteckningen är felaktig. I stället för nötkött innehåller produkten till stor del hästkött. Många har reagerat på att stora mängder fullt ätbar mat skulle kastas bort. Det var dock inte självklart att det skulle vara möjligt att skänka bort den.

Nu har Livsmedelsverket meddelat att de inte har några invändningar mot att produkterna skänks bort, under förutsättning att de plockas ut från sina förpackningar och att det finns en korrekt lista på ingredienser tillgänglig där produkterna delas ut.

S:ta Clara Kyrka delar varje vardag ut mat till behövande runt Sergels Torg i centrala Stockholm.

ICA:

PRESSRELEASER 8 feb 2013

ICA återkallar lasagne av varumärket ICA Basic

ICA återkallar fryst lasagne av varumärket ICA Basic 400g, efter att ICA fått indikationer om att produkten kan innehålla hästkött och inte enbart nötkött som anges på förpackningen

Återkallelsen gäller ICA Basic Lasagne 400g, och omfattar samtliga bäst före datum.

Ingen hälsofara föreligger för konsumenten, ICA ser ändå allvarligt på detta då märkningen på förpackningen inte stämmer med innehållet. De kunder som vill kan däremot lämna tillbaka produkten i närmaste butik eller vända sig till ICAs kundkontakt.

Varan kan ha sålts i ICA-butiker över hela landet. Vid återkallelsen stoppas produkterna för försäljning i kassan.

PRESSRELEASER 12 mar 2013

ICA återkallar ostwurst och cevapcici

Solna, 12 mars, 2013 ICA återkallar ostwurst, 240 gram, av varumärket ICA samt ICA Basic fryst cevapcici, 600 gram, efter att ICA konstaterat att produkterna kan innehålla spår av hästkött och inte enbart nötkött som anges på förpackningen.

Återkallelsen gäller ICA Ostwurst, 240 gram och ICA Basic fryst cevapcici, 600 gram och omfattar samtliga bäst-före-datum.

Upptäckten har gjorts i den extra kontroll av egna märkesvaror med nötkött som ICA initierade efter att hästkött upptäckts i lasagne.

Ingen hälsofara föreligger för konsumenten, men ICA ser allvarligt på att märkningen på förpackningen inte stämmer med innehållet. De kunder som vill kan lämna tillbaka produkten i närmaste butik eller vända sig till ICAs kundkontakt, 020-83 33 33.

Varorna kan ha sålts i ICA-butiker över hela landet. Vid återkallelsen stoppas produkterna för försäljning i kassan.

Bilder på produkterna bifogas med denna pressrelease.

NYHETER 28 mar 2013

ICA har säkerställt köttinnehåll

ICA har analyserat alla sina egna processade produkter med deklarerat nötkött. Förutom ICA Basic lasagne har inga av de aktuella produkterna visat sig innehålla hästkött.

Efter uppgifterna om att en del produkter som ska innehålla nötkött har visat sig innehålla spår av hästkött har ICA analyserat alla sina egna processade produkter med deklarerat nötkött. Det rör sig om totalt cirka 80 artiklar. ICA har nu mottagit provsvar för samtliga analyserade artiklar. Förutom ICA Basic lasagne, som återkallades den 8 februari 2013, har inga av de aktuella produkterna visat sig innehålla hästkött.

Två av ICAs produkter, ICA Basic Cevapcici och ICA Ostwurst, återkallades som en försiktighetsåtgärd den 12 mars. Närmare analys visade dock att halten hästkött var så pass låg, under 0,1 procent, att det rörde sig om kontamination vid produktionen. Således föreligger ingen misstanke om fusk vid produktion.

Sedan de första uppgifterna om misstänkt hästkött i processade nötköttsartiklar kom fram har ICA gjort följande:

- Stoppat och återkallat ICA Basic lasagne (2013-02-08) efter starka indikationer om att produkten kunde innehålla hästkött (provsvaret som kom 2013-02-13 visade att indikationerna stämde).
- Ställt krav på analys och fakta från samtliga leverantörer som tillverkar processade produkter innehållandes nötkött under något av ICAs egna varumärken. Inga provsvar visar på förekomst av hästkött i någon av de 80 artiklar som analyserats (bortsett från ovan nämnda, ICA Basic lasagne).
- Begärt in information från våra märkesleverantörer om hur man säkerställer att deras produkter innehåller kött i enlighet med innehållsdeklarationen på förpackningen.
- Återkallat ICA Basic Cevapcici och ICA Ostwurst (2013-03-12) som en försiktighetsåtgärd efter att provsvaren indikerat misstänkt spår av hästkött. Närmare analys visade att halten hästkött var så pass låg (under 0,1 procent) att det rörde sig om kontamination.
- ICA för löpande dialog med ansvarig myndighet, Livsmedelsverket (SLV), om hur frågan utvecklas och ICAs agerande.

Det är en självklarhet att innehållet i en produkt ska stämma överens med innehållsdeklarationen. ICA har tydliga kravställningar gentemot alla våra leverantörer och gör kontinuerliga kontroller av alla våra egna märkesvaror för att säkerställa produkternas kvalitet.

Coop:

Pressmeddelande 2013-02-08

Misstanke om hästkött i lasagne

Vid uppföljning av råvaruleverantör till vår tillverkare av lasagne, har odeklarerat hästkött påvisats. Coop stoppar därför försäljningen av "Coop Lasagne 400 gram".

DELA MED DIG

Findus som har samma underleverantör har återkallat en av sina produkter, "Findus Lasagne 375 g", då deras analyser visat att den innehåller hästkött.

Coops produkt bedöms inte utgöra någon hälsofara. Vi vill självfallet att våra kunder ska vara trygga med att våra produkter innehåller det som står i innehållsförteckningen. Eftersom det finns en misstanke om att hästkött kan förekomma i Coops produkt har vi stoppat försäljningen. Coop fortsätter den påbörjade utredningen. Vi har mycket tydliga kvalitetskrav på våra leverantörer och gör regelbundet uppföljningar av att kraven efterlevs.

Vi beklagar det inträffade. Den kund som har köpt "Coop Lasagne 400 gram" och önskar lämna tillbaka den, kan vända sig till närmaste butik och få pengarna åter.

Coop har informerat Livsmedelsverket om det inträffade och håller myndigheten informerad enligt ordinarie rutiner.

Mer info på Livsmedelsverkets hemsida www.slv.se

Pressmeddelande 2013-02-14

Coop återkallar lasagne med hästkött

Coop har återkallat den frysta produkten 'Coop Lasagne 400 gram', eftersom den visat sig innehålla hästkött. Coop beklagar det inträffade och kunder som vill lämna tillbaka produkten kan göra det i närmaste butik.

DELA MED DIG

Återkallelsen av 'Coop Lasagne 400 g' omfattar samtliga bäst före datum. Varan har stoppats från försäljning i butik eftersom märkning på förpackning inte överensstämmer med innehåll. Analyser visar att det rör sig om varierande mängder hästkött. Produkten anses inte hälsofarlig för konsumenter.

Coop beklagar det inträffade och kunder som vill lämna tillbaka produkten kan göra det i närmaste butik.

Vi följer nu upp den aktuella leverantören av 'Coop lasagne 400 g' noggrant. Samtidigt utökas kontroll och uppföljning av övriga aktuella leverantörer med bland annat fler provtagningar för att avgöra djurslag men också granskning av leverantörernas rutiner.

Det är ännu inte beslutat vad som ska göras med produkter som finns kvar i centrala lager. Vi måste följa gällande lagar och regler samt ser noggrant över alla aspekter innan beslut tas. Eftersom produkterna är djupfrysta har vi tid på oss att undersöka detta noga.

Pressmeddelande 2013-02-28

Coop återkallar köttbullar efter misstanke om hästkött

Coop återkallar som en försiktighetsåtgärd färska köttbullar under det egna varumärket 'X-tra'. Orsaken är att tester visat att Axfoods köttbullar från samma producent visat sig delvis innehålla hästkött. Coop återkallar därför 'X-tra färska Stekta köttbullar 1 kg' med bäst före-datum 3 mars 2013 eller tidigare.

DELA MED DIG

DNA-kontroller på all råvara har införts hos producenten Öresunds Chark och i tester efter ovanstående bäst före-datum har inte hästkött påvisats.

Coop beklagar det inträffade och kunder som vill lämna tillbaka produkten kan göra det i närmaste butik samt få pengarna tillbaka. Produkten anses inte hälsofarlig för konsumenter, men det är viktigt att innehållet i en produkt överensstämmer med innehållsförteckningen.

Coop införde DNA-tester av råvara under förra året och har den senaste tiden utökat kontroll och uppföljning av produkter och leverantörer med bland annat fler provtagningar för att avgöra djurslag men också granskning av leverantörernas rutiner.

Appendix 2 Printed media

1. Vad gör ni för att återvinna förtroendet efter köttsskandalen?
2. Varför är det så långa kedjor av leverantörer inblandade i en enda produkt?
3. Kan ni kontrollera så långa kedjor av leverantörer?

Axfood, Ingmar Kroon, presschef

1. Vi ser över hur vi kan förbättra våra inköpsrutiner. Detta för att öka vår kunskap om inköpskedjorna och därmed öka vår trovärdighet.
2. Det är inte vi som skapar de långa kedjorna men vi har synpunkter på att det är så. Det är en del av problemet och vi kommer att ställa andra krav i framtiden
3. Ju fler länkar det är i en kedja, desto svårare att kontrollera varje länk. Därför borde vi sträva efter kortare kedjor. Det tror jag att branschen försöker uppnå.

Coop, Lena Malm, produktsäkerhetsansvarig

1. Vi har dragit tillbaka de aktuella produkterna från butikerna. Dessutom har vi beslutat att kraftigt utöka våra stickprover och leverantörerna ska dokumentera hur de själva jobbar med kontrollen.
2. Det är en väldigt bra fråga. Det handlar om globaliseringen och att leverantörerna blir större och större. De kan inte alltid hitta råvaruleverantörer i sin närhet.
3. Vår kontroll hittills har riktat sig mot våra leverantörer. Den här händelsen visar att vi måste öka kontrollen bakåt i ledet.

ICA, Johanna Stiernstedt, kvalitetschef

1. Vi har ett bra förtroende. Detta handlar om en enda produkt. Den återkallade vi i fredags. Vi vet ännu inte om den verkligen innehåller hästkött i stället för nötkött.
2. Det finns många olika orsaker. Vissa varor lämpar sig bättre för tillverkning ute i Europa. Sedan beror det också på att vi har så många olika varor.
3. Vi har ett vedertaget, väl etablerat system för kontrollen av våra leverantörer med kravspecifikationer.